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Japan

Auto Talks With U.S. May Delay Until Apr

OW2103234495 Tokyo KYODO in English 2329 GMT 21 Mar 95

[FBIS Transcribed Text] Washington, March 21 KYODO—U.S. Commerce Secretary Ron Brown confirmed Tuesday [21 March] that Washington and Japan will soon resume talks on autos and auto parts, the only pending issue among the four priority sectors under the bilateral "framework" trade negotiations.

"I hope to have the talks as soon as possible," on auto and auto parts, that account for 60 percent of the U.S. trade deficit with Japan, Brown told reporters after emerging from the national conference on economic accounts.

On Monday, U.S. and Japanese officials said the bilateral trade talks will restart as early as this week at the subcabinet-level.

Japan has conveyed its readiness to resume the stalled talks, in a personal letter sent recently by International Trade and Industry Minister Ryutaro Hashimoto, in response to a letter from U.S. Trade Representative Mickey Kantor that called for an early reopening, the officials said.

Underlining the remarks, Brown said, "I would be surprised if we don't have the talks in the near future," noting that his department is working with the Office of the U.S. Trade Representative.

Meanwhile, Kantor told reporters separately that Washington and Tokyo are arranging to meet on a "mutually convenient" day, while he declined to comment on details of the proposed talks.

But a source close to the talks said the meeting could be delayed to early next month due to scheduling difficulties on the Japanese side.

Some newspaper reports said that Kantor, in his letter, voiced "a harsher-than-before stance" against Tokyo by showing Washington's willingness to resort to punitive measures if no compromise is made by Japan in the near future.

However, Japanese ambassador to Washington, Takakazu Kuriyama, brushed off such concerns, making reference to his talks with Kantor last week.

Kantor is "well acknowledged with Japan's position" over possible unilateral U.S. actions, Kuriyama told a regular press briefing.

Japan has been repeating the stance of countering U.S. moves by filing complaints under the dispute settlement process of the multilateral trade watchdog World Trade Organization (WTO).

"There are no major changes on both sides" on four major conditions already agreed upon over the auto and autoparts talks, noted Kuriyama.

The four conditions include the rejection of "numerical targets" as a yardstick to assess progress in opening the Japanese market and the Japanese Government playing no role in Japanese automakers' foreign auto purchase plans.

Early last October, ministerial-level auto trade talks between the two countries failed, prompting Washington to initiate a probe into the area of trade, in line with its retaliatory Section 301 provision.

The negotiations resumed in January after the U.S. agreed to respect the four conditions, but persistent conflicts over Japan's auto repair parts market left both parties reluctant to return to the round table.

U.S., EU Dissatisfied With Deregulation

OW2203063495 Tokyo KYODO in English 0454 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—U.S. business and European Union (EU) representatives confronted Japanese bureaucrats Wednesday with their dissatisfaction over Tokyo's efforts at deregulation.

At an open forum called by an administrative reform project team of the ruling coalition parties, representatives of the American Chamber of Commerce in Japan and the EU repeated their complaints to officials of the trade, finance and other related ministries.

The bureaucrats responded by repeating their explanations of Japan's deregulation plans, avoiding a heated debate on the deregulation interim report issued March 10 that will form the basis of a government plan by month's end.

Prime Minister Tomiichi Murayama, who has made deregulation and other administrative reforms a priority of his administration, has ordered his cabinet members to beef up the deregulation plan before it is issued.

The American Chamber officials complained that the 1,000-plus-item interim report includes less than 30 percent of their requests, particularly on bringing Japan's industrial and farm standards into line with international ones.

The European officials said less than 25 percent of their requests have been met, particularly easing farm product quarantine rules and deregulating the large-scale retail stores law, which allows local small retailers to block the entry of big competitors.

Deregulation Targeting Trade, Investment Urged

OW2203022995 Tokyo ASAHI SHIMBUN in Japanese 19 Mar 95 Morning Edition p 2

[FBIS Translated Text] The Foreign Ministry's Japan Institute of International Affairs, which has been studying world trade and investment activities, compiled a report recommending that advanced and developing countries should both liberalize investments and actively reduce economic regulations to encourage investments across national boundaries.

The Asia-Pacific Economic Cooperation (APEC) forum and the OECD are also tackling the investment liberalization topic. The Foreign Ministry plans to formulate policies based on the institute's recommendations.

The report collated the views of 18 Japanese scholars and chief researchers of corporate think tanks in five areas that may cause international economic friction, including investment, competition policy, and environment.

In the investment area, the report urges that regulations obstructing foreign companies' investments and market participation should be reduced to the minimum to promote world economic growth. The only exception allowed by the report is regulations having to do with "public order, security, and cultural sovereignty"; but the paper also says that decisionmaking on these regulations should not be left to national governments, but should be discussed among nations.

The report recommends that deregulation can be most effectively achieved by "thoroughly checking all regulations affecting international investment, and reducing them after detailed classification and quantification."

Regarding Japan's deregulation, the U.S. Government and other concerned parties maintain that "a wide-ranging review should be conducted on existing regulations, and only those concerning health and security should be allowed to remain as exceptions." In effect, the report supports such a position.

Article on Right of Collective Self-Defense

OW2103141795 Tokyo MAINICHI SHIMBUN in Japanese 12 Mar 95 Morning Edition p 1

[First in the series "Cold Peace"; this installment entitled: "Move Toward 'Right of Collective Self-Defense'; Defense Agency Holds Secret Meeting"]

[FBIS Translated Text] Plutonium fuel rods, which would have been used to make nuclear warheads, are left in a pool at a U.S. nuclear facility, and their coatings have begun to corrode. Although a makeshift action was taken to cover the rods last year, there is the constant danger of a radiation leak. The "Hot War" ended 50 years ago, and the "Cold War" continued, during which nuclear weapons were the dominating threat. A post-Cold War nuclear control system is to be developed at a meeting which is slated to be held in April to talk about the extension and reexamination of the nuclear Nonproliferation Treaty (NPT). However, what we are confronted with now is a "cold peace" under which regional disputes and religious confrontations are gushing out. Will the world ever be free of nuclear weapons? In the second part of this paper's project to carry serial articles called "Choices of the Japanese," we will look into changes in security matters surrounding post-war Japan and the current situation regarding nuclear weapons.

The government interprets the Constitution to say that the right of collective self-defense is not permissible. Nevertheless, a team of anonymous officials, who are bureau members of the Defense Agency [DA], began last May to prepare a report designed to propose that the government review its constitutional interpretation.

"There is a possibility that the government's interpretation of the Constitution not allowing Japan to exercise the right of collective self-defense may become a hindrance in our attempt to stabilize the situation in the east Asia-Pacific region in terms of the mid- and long-term viewpoints."

The 55-page report entitled "Regarding Measures for Regional Stabilization" is for "internal use" and only says it was prepared by a "study team."

A study group—with Shigeru Hatakeyama, administrative vice minister of the Defense Agency, as a central figure—was unofficially formed in January of last year. In July, results of the group's study were reported to a meeting attended by top senior DA officials, including bureau chiefs and counselors. The report is one of the outcomes of the study.

One of the senior officials said: "The intention of the group was to study future security and defense issues following the collapse of the Cold War structure. We studied the issues without being influenced by the government's views, defense policies, their constitutional interpretation, or the views of each political party."

Analyzing possible future threats in the east Asia-Pacific region, the report proposes ideas on what Japan's security in this region should be like.

Why does the government think the use of collective self-defense will "become a hindrance" if it is against the Constitution? The report points out that: 1) Japan cannot join the multilateral regional security system if it approves only the use of the right of solo self-defense; and 2) other countries may think that a nation without a concept of self-defense is not only useless, but also a threat.

Moreover, the report also insists on the need to review the government's policy of not participating in UN peace-keeping operations (PKO) accompanied by the use of force, saying: "There is a possibility that noncooperative measures in the military field may jeopardize our relations with friendly nations, including the United States."

Although a senior DA official says that the report "is not a collection of the DA's views," it is true that the DA studied the possibility of forming a multinational regional security structure and using the right of collective self-defense by going over the constitutional taboo.

Bureaucrats are not the only people who began to take actions. Taku Yamazaki, member of the Liberal Democratic Party [LDP] and former DA director general, in his meeting last November with Dr. Ezra Vogel, who is in charge of east Asian affairs at the National Information Council (NIC), stressed: "The use of the collective self-defense right will be the key to future Japan-U.S. security." Vogel, together with Joseph Nye, assistant secretary of defense, was visiting Japan to look for a way to reconstruct the Japan-U.S. security system. They had meetings with influential people in political and bureaucratic circles who are concerned with diplomatic and defense issues.

Yamazaki was keeping in mind the possibility of an emergency situation on the Korean Peninsula when the UN began to talk about imposing sanctions against North Korea over the issue of nuclear weapons development in November of last year. Yamazaki said: "We will be debating the use of collective self-defense if the three countries—Japan, the United States, and the ROK—impose sanctions against the DPRK without a UN resolution."

He said this because Japan would be violating the constitutional ban on the use of collective self-defense if Japan gives logistical support by supplying fuel and food to the U.S. military when the United States launches a naval blockade.

In February, the New Frontier Party [NFP] formed an intraparty "Committee for Studying Fundamental Issues Regarding Security." The committee is headed by Yukihisa Yoshida and is designed to study policies regarding security matters. Former DA directors general, including Kazuo Aichi and Keisuke Nakanishi, serve as advisers to the committee. Aichi, who held a meeting with Vogel, said: "In order to promote disarmament, we have to aim at assuring regional collective security and free ourselves from the necessity of individual self-defense." He actively supports the idea of reviewing the government's constitutional interpretation. NFP Secretary General Ichiro Ozawa's idea of making Japan an "ordinary country" is in line with that of Aichi.

There is deep-rooted opposition to a review of the government's constitutional interpretation. A senior official of the Ministry of Foreign Affairs coolly said: "We cannot get support from the people even if we start talking about the issue of collective self-defense now." Former Prime Minister Kiichi Miyamaza, who supports the view of safeguarding the Constitution, strongly opposes the idea of reviewing the government's constitutional interpretation, saying: "Japan will become an 'ordinary country'."

Yamazaki predicts: "Debate over the right of collective self-defense will be an issue for future reorganization of the political world."

Military Exchanges, Security Dialogues Analyzed

OW2103152795 Tokyo MAINICHI SHIMBUN in Japanese 13 Mar 95 Morning Edition p 3

[Second in the series "Cold Peace"; this installment entitled: "Various Countries Have Taken Moves To Build Confidence"]

[FBIS Translated Text] Exchanges between senior officers of the Self-Defense Forces [SDF] and military personnel of countries in the Asia-Pacific region are rapidly expanding.

Senior military officers from 14 countries—Japan, six ASEAN nations, the United States, China, South Korea, Russia, Australia, New Zealand, and Canada—attended a seminar held at the National Institute for Defense Studies under the Defense Agency [DA] in December 1994. This was the largest international conference of uniformed officers ever held in Japan. Since the end of the Cold War, countries have begun to seek multilateral military cooperation and dialogue which are not bound by conventional allied frameworks. For example, Japan-U.S.-Russia exchanges and Japan-U.S.-Russia-China-South Korea exchanges are noteworthy.

U.S. Assistant Secretary of Defense Nye has pointed out: "Regional PKO (peacekeeping operations) activities will increase in the future." A middle-ranking officer of the Joint Staff Council has predicted that Japan will participate in Japan-U.S.-Russia joint exercises in the future, saying: "There is a possibility that the SDF will send observers to U.S.-Russia joint PKO exercises in the near future."

In June 1994 the United States and Russia conducted their first joint naval exercises in Vladivostok, Russia, which faces the Sea of Japan. In September, they conducted other joint exercises on the assumption that ground units would be involved in U.S.-Russian joint PKF (peacekeeping forces) emergency deployments.

Although they are called U.S.-Russia joint exercises, the fact is that warships of the two countries were just communicating while sailing abreast. Every country has just begun to take confidence-building measures. However, a senior SDF officer has indicated the following impression of exchanges between uniformed officers among various countries: "When compared with the past, the current moves are very active, as if moves are developing from naught to infinity."

The reason multilateral security consultations involving uniformed SDF officers do not draw much attention is that, in many cases, they are held in a manner of "track two diplomacy." The "track two diplomacy" is neither negotiations between governments (called track one) nor nongovernmental consultations (called track three), but a half-civilian conference in which bureaucrats and military personnel in official positions participate in a private capacity. At such a conference, attendees can speak freely, unlike at an official conference.

An Asia-Pacific regional security seminar was held in Canberra, Australia, in late November 1994. The seminar was held in the "track two" manner, with officials in charge of foreign affairs and defense, military personnel, and scholars from 18 countries and regions of the ASEAN regional forum attending.

At the seminar, Thailand's first "defense white paper," written in English and about 100 pages in length, was distributed to attendees. While viewing the defense white paper, a Japanese DA official thought it "was roughly worked out." Nevertheless, the fact that Thailand publicized its defense white paper was quite surprising. This is because only Japan, South Korea, and Singapore had compiled a defense white paper in the past. At past meetings, some maintained that, to promote confidence among countries in the Asia-Pacific region, it is important to increase "transparency" through such efforts as disclosure of military budgets or defense policies. However, China and other countries reacted against this opinion, saying that they "cannot reveal defense secrets."

However, the disclosure of Thailand's defense white paper triggered active exchanges at the meeting in Canberra. A representative from a Southeast Asian nation pointed out: "There are mistakes in the description of my country." A Chinese military officer maintained: "Although we have not compiled such white papers, technical journals on defense matters of our country have more pages and are more substantial." China, which once expressed the strongest opposition to the idea of promoting "transparency," joined the discussion at the same table.

The point at issue within the SDF is reportedly consensus among SDF members. Uniformed officers still have the same feelings of the Cold War era. They say: "As we have considered Russia an enemy, we cannot adapt ourselves to confidence-building measures or joint exercises."

There is a growing argument as to how Japan should participate in multilateral security exchanges. The Foreign Ministry, the DA, and the SDF are hastily working out guidelines to show how security dialogues should be linked with Japan's security and foreign policies.

Tokyo-Washington Information Exchanges Assessed

OW2203094695 Tokyo MAINICHI SHIMBUN in Japanese 14 Mar 95 Morning Edition p 3

[Third in the series "Cold Peace"; this installment entitled: "Japanese-U.S. Information Exchanges in Transition"]

[FBIS Translated Text] Last October, several high-ranking Japanese foreign ministry officials visited the CIA headquarters in Washington to participate in a meeting on information exchanges between the Japanese Ministry of Foreign Affairs [MOFA] and the CIA. In this instance, the implicit rule that "diplomats should avoid direct contacts with the CIA" ceased to be valid any longer.

The CIA showed Japanese officials many pictures taken by U.S. military reconnaissance satellites. The pictures which were about A-3 size, showed buildings in the DPRK (North Korea) and a certain country in the Middle East.

Looking at the pictures, a senior MOFA official who participated in the meeting sighed in amazement: "What amazed me is the clarity of the pictures. I have never seen pictures like these. I could hardly believe they were taken by a satellite hundreds of kilometers away." U.S. officials explained: "From these pictures, it is possible to analyze objects down to few centimeters in size."

Another Japanese participant affirmed: "The pictures were taken not only directly from above, but also from various angles." With pictures taken from an angle, it was possible to look in through windows, and the amount of "information" these pictures could provide drastically increased. Another senior MOFA official said: "The United States is constantly maintaining surveillance over certain buildings. Therefore, even with pictures taken only from directly above, it would be possible to determine whether something is going on inside such buildings by making comparisons."

In the past, the United States has shown pictures taken by military reconnaissance satellites in the form of slides, among other media. However, this was the first time the United States provided such clear photographic prints. The nature of information exchanges between Japan and the United States has thus begun to change.

Ezra Vogel, an official in charge of East Asian affairs at the National Intelligence Council, which is an advisory body to the CIA, has cited "information exchanges" as one of the most important pillars supporting the idea of "reassessing the Japanese-U.S. security arrangement." North Korea is the greatest unstable factor in East Asia. There are concerns over the PRC's "turning into a military superpower." Japan and the United States should come to a common understanding of the situation in the region based on information regarding these countries. It will then serve as the foundation for reassessing their bilateral security arrangement. This is the very reason Vogel made his assertion.

When Seiki Nishihiro, former administrative vice minister of the Defense Agency, met Vogel during the latter's visit to Japan last November, he pointed out the importance of information exchanges, saying: "It is important to take action after holding discussions with the United States over various strategies and foreign policies and coming to a common understanding and reaching an agreement." He further stressed: "It is necessary for Japan and the United States to discuss what is important regarding issues in Asia and what can be done to resolve such issues. It is important that there be a common understanding over issues which may erupt."

Nishihiro says: "What is most important in Asia now is what will happen to North Korea's leadership." If North Korea should turn to an open-door policy as a result the U.S.-DPRK accord on assisting North Korea with converting its nuclear reactors to the light-water type, that may have a considerable impact on that country's political power base in the future. Concerns have also been indicated regarding the stability of China's post-Deng Xiaoping leadership. Nishihiro continues: "Reform has not necessarily proceeded well in Russia, which has a big influence over east Asia. There may be a case where things start moving in reverse and reactionary forces may emerge. What must be done to prevent this? What will be done, should that happen?"

Nishihiro believes that what Japan and the United States do in order to come to a common understanding over such unstable factors in the Asia-Pacific region will become the basis for the reassessment of their bilateral security arrangement.

Regarding the reassessment of the Japanese-U.S. security arrangement, work is in progress to incorporate this into the joint statement to be announced during the Japanese-U.S. summit meeting to be held in Japan this coming fall. Among concerned officials, there is a strong feeling that the starting point for Japan and the United States is to coordinate the two countries' understanding over the post-Cold War situation in the Asia-Pacific region. The fact that the United States has shown Japan pictures taken by its military reconnaissance satellites—which are regarded as top secret information—is one proof that "information exchanges" have already started rolling.

USFJ Role During Hanshin Earthquake Noted

OW2203100895 Tokyo MAINICHI SHIMBUN in Japanese 15 Mar 95 Morning Edition p 3

[Fourth in the series "Cold Peace"; this installment entitled: "U.S. Forces in Japan at Crossroads"]

[FBIS Translated Text] It was before the noon of 17 February, several hours after the Great Hanshin Earthquake. Many Japanese citizens were stunned by what they saw on television: The increasing death toll and never-ending fires. At the same time, in a Tokyo hotel, a group of people from the Defense Agency [DA] and the U.S. Forces in Japan [USFJ] were secretly discussing whether to send the USFJ to quake-hit areas for a rescue mission.

"The earthquake in Kobe will be the most catastrophic we have ever experienced. The scale of the Self-Defense Forces' rescue operation will be the largest in its history." After saying this, a senior DA official implicitly sounded out the possibility of a USFJ deployment. A U.S. official refused to give an immediate answer, noting the matter was not under the USFJ's jurisdiction. However, on second thought, he added: "We are lucky. The chairman of the Joint Chiefs of Staff (who has authority over operation of the USFJ) is now in Japan."

In another Tokyo hotel at the same time, DA Director General Tokuichiro Tamazawa was holding a luncheon with Chairman John Shalikashavili who arrived in Japan on the previous day. What was discussed at the working-level meeting was immediately conveyed to the chairman and then to Washington.

In return, a message was sent from Defense Secretary William Perry to the DA through Shalikashavili. "The U.S. Defense Department will do its utmost to support relief operations." It took only three hours for the United States to arrange the USFJ dispatch. "That was a quick response," the DA official said with astonishment.

Two days later, the USFJ mission began by providing and airlifting relief goods such as 57,000 blankets, 237 kiloliters of water, 1,700 rolls of plastic tarp, 50 tents, and 100 beds. From Okinawa, 74 sturdy marines were sent to set up those tents. Their relief operation continued all night long.

This was the first and largest USFJ mobilization relating to a natural disaster in Japan since the Great Niigaka Earthquake in June 1964.

"The 21st Century Committee" of the Liberal Democratic Party [LDP], in its new policy platform draft formulated last April, calls for "qualitative and quantitative changes in the Japan-U.S. Security Treaty." Specifically, it says, "When we consider Japan's aviation situation, it is a matter of course that we demand the return of Yokota airbase, which takes up a large space near the capital."

In the course of restructuring of the nation's military, U.S. think tanks have launched various plans for reducing the USFJ. Now that the Cold War is over, wiping away the fear of the USSR, both Japan and the United States have begun to reconsider the need for "the Japan-U.S. Security Treaty."

There is no denying that the USFJ's quick response to the killer earthquake was driven by the fears of military authorities in both nations about their future direction.

The Great Hanshin Earthquake took place right after full-scale discussions began on the reconstruction of the Japan-U.S. security framework following the 11 January Japan-U.S. summit, where leaders of both nations for the first time discussed the solution of U.S. military base-related problems on Okinawa; no progress had been made on the issue in the past 20 years.

U.S. Assistant Secretary of Defense Joseph Nye, who advocates a reconstruction of the bilateral security framework, says: "We must make our people understand why we need the Japan-U.S. alliance," stressing the importance of obtaining public understanding. Support from Japanese people for the USFJ will be a crucial element in rebuilding the bilateral security framework. The United States realizes "Japan's discontent" (according to Chairman Shalikashavili) over repeated USFJ military training accidents, scant progress in reconsolidation of the bases on Okinawa, and the financial burden imposed on Japan by sharing expenses for the USFJ.

The senior DA official says, "The USFJ came out strong in explaining what they could do after the quake occurred. I think they wanted to publicize their power." Even the use of carriers was said to be included in the list of relief goods the United States showed to the Japanese Government. When the quake hit, the United States thought now was the time to demonstrate the significance of the Japan-U.S. security framework in an attempt to counter people who say it is no longer needed. There is no doubt about it.

ODA Asked To Streamline U.S. Bases

OW2103140995 Naha RYUKYU SHIMPO in Japanese 18 Mar 95 Evening Edition p 1

[FBIS Translated Text] Kiyoshi Ozawa, director general of the Okinawa Development Agency [ODA], who is visiting Okinawa for the first time since taking office, called on Okinawan Governor Masahide Ota at the Okinawa Prefectural Government building on the morning of 18 March. Upon receiving a nine-point request, including the "streamlining of U.S. military bases on Okinawa and the promotion of utilization of returned military land" from Governor Ota and a four-point request from Chiken Kakazu, speaker of the Okinawa Prefectural Assembly, Ozawa said, "I will deal with your requests," but gave no details of how he would deal them.

That day, Director General Ozawa had toured Okinawa's southern battlefields. After welcoming Ozawa's to Okinawa, Governor Ota stressed three points: the streamlining of U.S. military bases on Okinawa and the promotion of effective utilization of returned military land, the state's compensation of bereaved families of malaria victims in Yaeyama, and the early construction of an urban monorail on Okinawa.

The Okinawa governor also stressed the need to expand Naha Airport into an international airport and expressed appreciation to Ozawa for his role in the government's decision to maintain three agencies, including the Okinawa Development Agency.

Speaker Kakazu handed Ozawa a request for the promotion of the Third Okinawa Development Plan and comprehensive measures to deal with problems arising from U.S. military bases on Okinawa, saying, "I hope you will give special consideration to these requests."

After visiting the Okinawa Prefectural Government, Ozawa visited the Okinawa Development Agency for instructions. He returned to Tokyo on the afternoon of 18 March after touring Shuri Castle, meeting with representatives from all walks of life and holding a news conference.

Government Yet To Agree on Yen Measures

Takemura on Measures

OW2203115295 Tokyo KYODO in English 1042 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Finance Minister Masayoshi Takemura said Wednesday [22 March] the government has yet to work out specific measures to arrest the yen's rapid rise against the dollar.

Takemura said at a press conference, "How to overcome the yen's quick rise is the most important challenge for us...But we don't have specific direction at present."

While acknowledging some calls to include measures against the yen's sharp appreciation in a supplementary fiscal 1995 budget, Takemura said, "The entire government is still out of sight of definite policy in the issue."

"Yet, we will take action as soon as possible if the situation allows," Takemura said.

Takemura said the government is taking the yen's very rapid appreciation seriously and its adverse impact on Japan's economy and growth rate is unavoidable as a stronger yen will do critical damage to export-related businesses.

However, he only reiterated Japan will continue efforts in making cooperative market intervention and policy harmony with other Group of Seven nations.

For specific actions on the side of Japan, Takemura said, "We want to cudgel our brains through thorough discussions on how to take economic stimulus measures also contributing to steps against the high yen."

It is also necessary to turn eyes to deregulation, measures to assist smaller companies and steps to promote employment as part of efforts to tackle the yen's advance, Takemura said.

Takemura voiced concern over tumbling stock prices, with the 225-issue key index falling below the 16,000 line.

The government should take the situation in the stock market seriously as well, Takemura said.

Regarding the day's enactment of the fiscal 1995 budget, the quickest in the postwar period, Takemura expressed hopes that it will have favorable effects on the economy, which is currently on a trend to moderate recovery.

Meanwhile, the Finance Ministry is considering compiling the first of two supplementary fiscal 1995 budgets to help reconstruct areas hit by the Jan. 17 earthquake. It is considering getting the budget approved in June during the current Diet session, earlier than initially scheduled, with a view to preventing the rapid rise of the yen and slumping stock prices from dampening the economic recovery, ministry officials said.

The ministry also plans to compile a second extra budget in fall to finance remaining reconstruction-related projects which cannot be covered in the first one, the officials said.

The first extra budget will amount to more than 1 trillion yen to fund not only reconstruction of quake-hit areas but also measures to assist smaller businesses hard hit by the yen's appreciation, they said.

The extra budget is expected to allow early implementation of the government's 10-year public investment program, worth 630 trillion yen, starting in fiscal 1995, they said.

At a meeting of top G-7 financial officials in late April, the ministry will stress the effects of such fiscal measures in stimulating domestic demand, and ask G-7 partners for stronger policy cooperation to stabilize foreign exchange rates, they said.

Murayama Still Concerned

OW2203022795 Tokyo KYODO in English 0206 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Prime Minister Tomiichi Murayama on Wednesday [22 March] expressed strong concern over the yen's advance to yet another record high against the U.S. dollar.

"I am terribly worried about the high yen," Chief Cabinet Secretary Kozo Igarashi quoted the premier as telling an informal cabinet meeting.

At Murayama's behest, the top government spokesman said, a special cabinet meeting will be held on Wednesday afternoon to discuss ways to combat the yen's precipitous gain against the dollar.

The extra cabinet meeting will bring together Murayama, Igarashi, Finance Minister Masayoshi Takemura, International Trade and Industry Minister Ryutaro Hashimoto, Foreign Minister Yohei Kono and Economic Planning Agency Chief Masahiko Komura.

At 9 A.M. in Tokyo, the dollar was changing hands at 89.30-33 yen, compared with late Tuesday's quotes of 89.25-35-yen in both New York and London.

In New York trading on Tuesday, the U.S. unit momentarily slid to a new global low of 88.35 yen, on a report that the Bank of Japan had compiled an internal document which said the Japanese economy would be able to withstand the dollar's fall to a range of 78 yen to 82 yen.

At Wednesday morning's informal cabinet meeting, both Hashimoto and Komura voiced grave concern over the yen's steep rise against the dollar and called for necessary measures to reverse its course, according to Igarashi.

Takemura on Surplus Cut

OW2203015995 Tokyo KYODO in English 0145 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Japan's current account surplus must be reduced to arrest the yen's appreciation against the U.S. dollar, Finance Minister Masayoshi Takemura said Wednesday [22 March].

Takemura said he told other cabinet members at an informal gathering after a regular cabinet meeting, "it is necessary to correct our current account surplus, especially that with the United States, besides short-term themes such as interest rates and finances" to check the yen's advance.

Takemura told reporters, "the point is whether the G-7 (Group of Seven) nations can find common ground, as each nation is in a different situation."

The G-7 nations have agreed that rapid fluctuations in foreign exchange rates are undesirable and regrettable, Takemura said.

"On macroeconomic measures, we should make progress in discussions at such opportunities as G-7 meetings," he said.

Takemura said the government has not made specific preparations to include measures against the yen's sharp gains in a supplementary fiscal 1995 budget.

The extra budget to help reconstruct areas hit by the Jan. 17 Kobe earthquake is now being compiled, he said.

Kaifu Urges New Approach

OW2203093795 Tokyo KYODO in English 0848 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The Japanese Government should take specific action to stop the yen's appreciation against the U.S. dollar while seeking coordination with other Group of Seven (G-7) industrialized nations, an opposition leader said Wednesday [22 March].

Toshiki Kaifu, leader of Shinshinto (New Japan Party) [New Frontier Party] and former prime minister, said at a luncheon meeting hosted by KYODO NEWS SERVICE that Japan should take a "two-pronged approach" in tackling the problem of the strong yen.

"Japan should consider the problem as partly stemming from its own problems," Kaifu said in the speech at a Tokyo Hotel.

"Shinshinto thinks the government should take a two-pronged approach by making policy efforts to correct its longstanding mammoth current account surplus amounting to 130 billion dollars while pursuing coordination with the G-7 countries," he said.

To reduce the large current account surplus, Kaifu called for efforts to direct the country's large savings toward public works projects by issuing government bonds to finance them, Kaifu said, adding Japan's weak social infrastructure and high commodity prices are leading to the yen's rise.

Touching on reconstruction efforts in areas of western Japan hit by the Jan. 17 great Hanshin earthquake, Kaifu opposed raising the consumption tax to fund such work and instead called for issuing deficit-covering bonds first and then either cut or shelve 10 percent of planned public works projects.

Referring to a proposed Diet resolution to renounce war, Kaifu said it is necessary to clear the meaning of the term "war-renouncing" to dispel concerns held by some people.

The resolution is intended to declare to the world Japan's determination to continue being a peace-loving nation based on remorse over its past, he said.

Komura Seeks Discount Rate Cut

OW2203020495 Tokyo KYODO in English 0142 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Japan's top economic planner called for a cut in the bank of Japan's key interest rate as a way to arrest the yen's appreciation against the dollar, the trade minister said Wednesday [22 March].

Economic Planning Agency (EPA) Director General Masahiko Komura told other cabinet ministers the monetary authorities should not "lose the initiative" in working out measures, including an easing of credit, to check further yen rises, International Trade and Industry Minister Ryutaro Hashimoto told reporters.

Monetary authorities should effectively use "the free hand" given to them in steering the nation's credit policy, Komura was quoted as saying at the meeting earlier in the day.

The Bank of Japan's official discount rate stands at an all-time low of 1.75 percent. Central Bank Governor Yasuo Matsushita recently said the bank has no immediate plan to change its current credit policy.

Hashimoto echoed Komura's view, saying, "we should not let the current situation stay as it is."

Hashimoto was referring to a recent trade ministry survey which showed that 25 percent of export-oriented small companies feel they have no effective ways to cope with the current yen-dollar exchange rate.

"Argument based on macroeconomic observation does not justify our doing nothing," Hashimoto said.

Some economists hold that the trend toward a stronger yen can not be reversed unless Japan's chronic current-account surplus is reduced substantially.

Corporate Competition in Changing Market Viewed

952A0392A Tokyo EKONOMISUTO in Japanese 24 Jan 95 pp 39-42

[Article by Tetsuo Ihara, Keio University professor: "New Age of Corporate Competition Arrives With Changes in Market Environment"]

[FBIS Translated Text] Japanese firms are facing a new period of intense competition. Brought on by major changes in the market environment, this competition is already showing signs of expanding.

Tradition of Long-Term Rational Business Relationships

Japan has seen its share of intense corporate competition before. "Excessive competition" is an apt description for it. What has become noticeable now, however, are instances of a new form of competition, still intense but different in kind. Understandably, the appearance of this new type of competition has become a topic of conversation. It is not merely an extension of what has been seen before but is of the type to cause a breach in formerly established market practices and usher in change. Moreover, this new form of competition gradually appears to be spreading, forcing us to believe that significant changes have occurred in the market environment.

Market transactions are possible because there are consumers and prospective customers, on the one hand, and suppliers or providers on the other. If one side changes his behavior, the form that competition takes will change though not significantly. Even supposing, for example, that the supplier lowers his prices in order to survive, this strategy has little chance of succeeding if the consumer response is slow, and it will have to be abandoned. What is occurring now are changes of the sort that can transform the behavior of both market participants.

It has been pointed out that one of the characteristics of market transactions in Japan is the long-term nature of such business dealings. This in turn has been seen by other countries as a barrier to their participation in the Japanese market. Once established, business relationships are maintained, for such relations are of benefit to both parties. Oftentimes we hear one party to a transaction expressing his indebtedness to the other for letting him benefit from the other's business and promising someday to repay his kindness. It is a method of doing business that makes sense in the long-run rather than for short-term, one time dealings. There is a lot of flexibility but each transaction is an exchange between two parties, one now the debtor and the other the creditor. Because the expectation is that the relationship will last, the creditor can feel certain of eventually being repaid.

Another factor also works to reduce the creditor's risk; namely, borrowing and lending of this sort are always being watched by others in the business community. The loss of trust when a borrower fails to make repayment is not only a concern for him but for those around him as well. Cutting old ties without justification makes that party the target of censure and makes it difficult for him to do business. Of course, this [threat of ostracism] is also one of the reasons neither side is worried in the absence of a formal contract.

Competition was possible even in this kind of environment. This is not to say that, if a new seller came along with good, lower-priced products, the consumer or buyer would forsake past ties in order to switch to him. Instead the buyer will inform his existing seller of current market trends and ask him to match the new seller's price. If he is turned down, he then has a legitimate reason for the first time to switch to the other seller, and his behavior would be acceptable to those around him. In a seller's market, the price [in such relationships] would be higher than the spot price and, in a buyer's market, lower than the spot price. Such relationships thus have a long-term rationality to them and, once they are established, will keep price competition from getting too heated.

Another characteristic of market competition that has been pointed out is expressed as "share wars." In no matter what country, companies are likely to stress the importance of increasing their market share. In a country with the kind of business practices we find in Japan, competition for market shares had its own special meaning. It meant that no matter how much it cost to win over a client or customer in anticipation of a long-term relationship, that cost could be recovered later; when a new market opened, there would be intense competition, with prices falling far below cost. If one succeeded in winning a "soft" contract at this stage of development, he could expect "hard" returns, or firm demand, later. Competition at such times could reasonably be called "excessive." The kind of competition we see now is not premised on this sort of long-term rationality and leaves us with the strong impression that it is somehow "different" from these past practices.

New Corporate Options

Often cited as a factor behind the prominent appearance of this seemingly different form of competition is the yen's appreciation. But the yen has appreciated any number of times before, so this alone cannot be the main reason. We can fully imagine that some other factors are involved. An important one is the improvement, both quantitative and qualitative, that has been seen in the supply capacity of overseas suppliers. This is true of the countries of Southeast Asia as well as the manufacturing industry in the United States. In other words, foreign manufactured products have became better able to serve as substitutes for domestically manufactured goods. With the appreciation of the yen, this has meant a sharp increase in imports, particularly in consumer goods.

Competition, when it is among domestic sellers, will continue within the framework of long-established business relationships. Even when new sellers try to enter the market armed with low prices, existing sellers will be able to lower their prices to a level that will satisfy their buyers. When the competition is from domestic enterprises, the production base will not change significantly; nor can price-lowering strategies be expected to amount to much. Such is not the case, however, when the competition is from foreign enterprises. With an appreciating yen, what is meant by *low* prices changes. If products can be imported fairly cheaply, existing domestic sellers cannot compete and this, then, establishes the justification [for longstanding customers] to switch to imports. To the extent that existing sellers have no overseas manufacturing bases, they will be unable to survive the competition, and this in turn will contribute to the further expansion of overseas production capacity.

In our example, even the buyer who broke off a longstanding relationship with an existing seller in favor of cheaper imports would have come under the harsh criticism of those around him if he had had the leeway to act differently. However, if his situation were like that of many companies struggling to survive in the midst of a severe recession, his action would have been looked on more tolerantly.

The reason is that a worker's fate, especially in large Japanese companies, is tightly bound to that of his firm. Because the external labor market is undeveloped, the continued existence of one's firm has been viewed as of paramount importance, a view that society still understands and accepts. Since a cruel fate awaits the worker if his company fails, employees, when faced by such a threat, will work together as one to put their company back on its feet. Japanese companies are said to be changing, but even now, this mentality of a shared fate is still strong. Thus, in recessionary times, no matter how it might appear to others, workers will resort to every means possible in order to survive, and at such times, society will look on their actions with more leniency.

There were also other factors, their presence acting like a tailwind to propel changes in the shape of competition. One was the easing of regulations. Before, corporate behavior had been based on the premise that regulations were frameworks strictly curtailing one's actions. However, when the relaxation of regulations came to be seen as something "good," a more permissive atmosphere developed toward those ignoring old rules, and there have been a number of instances of businesses acting in anticipation of the easing of regulations.

Also probably related to these changes in competition is the shift in social values to where the emphasis is now less on production than on the quality of life. The discrepancy between domestic and foreign products is an issue, and companies that have acted in such a way as to address this problem have been credited as being forward-looking. This change has worked to counteract the sentiment that "longstanding associations should be valued."

From a different perspective, these changes can be said to have broadened the options available to corporations in their decisionmaking process. In having chosen some of these new options in the face of a harsh, new environment, they leave us with an impression that things have changed substantially.

Consumers Become Price-Oriented

Even if suppliers reduce their costs and take a price-lowering strategy, nothing will come of their efforts if those on the demand side do not respond. Especially important is the behavior of consumers, who are the final demanders. When consumers actively respond to differences in the price of consumer goods, we can expect to see businesses compete more and distributors to be more conscious of their cost price. Manufacturers must also try to lower their costs; if they are not more sensitive to capital costs and the purchase price of producer goods, they too will be left behind by their competitors.

In an age when income levels were low, consumer living still meant tolerating many hardships and inconveniences—from hunger to the heat and cold, and an onerous schedule of household chores. "Things"—sturdy, functional products—came to be seen as the solution. Since consumers wanted to buy them cheaply, it is only natural to expect that a competitively priced market for these items would develop.

But then the focus shifted. Having come through a period of high-level growth and no longer as pressed to make sacrifices in their consumer lives, people now wanted to "enjoy life in a forward-looking," positive way. Unaccustomed to this type of lifestyle, however, they were far from being price-oriented consumers. For example, the pursuit of fashion was one of the pillars supporting this forward-looking "enjoyment of life." But where we would expect choices to be made on the basis of an understanding of one's own individuality and fashions to fit that style, consumers, not adequately experienced in making such decisions, were moved by a different standard; namely, that "what was expensive was good." People also tried to gain their neighbors' respect by acquiring those things that others esteemed—namely, famous "brand names."

The climax came during the bubble period. The market was led by people who had the buying power but had not yet acquired the ability to enjoy life in the forward-looking way they wanted. There also seemed to be an attitude within the general population that one might be considered behind the times if this type of consumer behavior wasn't followed. In fact, the more expensive products—even in the case of toothbrushes—were the ones that sold well.

Consumer values underwent a complete change, however, with the bubble's collapse. People began thinking it was "unstylish" to be so oriented toward brand names. Homemade casseroles became the symbol of the better life rather than gourmet sleuthing. The ability to find a bargain became a source of pride. Some, reflecting on the excesses of the bubble period, came to regard their past consumer behavior as showing a "lack of discipline." Indeed, through the proper "training," people are now better consumers and prices are now judged more on content than appearance. Without this sort of change in consumer behavior, the strategy of suppliers to offer lower prices would never have worked as well as it has.

Widening Breach

The question, then, is whether the kind of market competition we are now seeing will continue when the economy has truly recovered. Once the first step is taken, the breach in past business practices will probably continue to widen. In other words, once most people start seeing that "it's all right" to do things differently, then old business practices based on long-term relationships will weaken and collapse. Since there is no way of knowing how long a customer will continue patronizing one's business, one doesn't take the risk of extending credit to him. Necessarily, the rationale informing business transactions will be based on a short-term view of such relationships. In extending credit, one asks the borrower for a written promissory note.

It is safe to say that in Japan, at present, a breach has been made in past trading practices. It is still too soon to say whether or not it is too large to repair. Many business sectors will not be affected by the new type of competition. Nor will it be so easy to shed long-held values. If businesses regain their breathing space, it is not impossible that things will return to the way they used to be.

On the other hand, if we look at the environment surrounding the market and the direction in which it has been changing, it seems safe to assume that the type of competition we are now seeing will become more widespread. One reason is that for awhile there will continue to be demands for the easing of regulations, and in fact things seem to be moving in this direction. There are also signs that Japan's economic ties with foreign countries will continue to grow stronger and adjustments in international specialization will continue to accelerate. Nor can we easily imagine that consumers, once they have learned and become more rational in their behavior, will want to revert to their spending habits during the bubble period. When we consider that the Japanese are becoming less troubled by what others around them think, it seems highly likely that in time consumers will be even more rational in their spending habits.

Corporate profitability will probably have a major influence on the speed at which change occurs. Change will be gradual if the economy recovers quickly, giving enterprises some breathing space and latitude in their operations. If, on the other hand, the recent recovery proves to be a short-term quantitative boom, then in order to survive, they will have to continue a strategy that lays emphasis on prices. And in that case, the opening that has been made in past business practices will get bigger and there is a strong possibility the damage will be not be repairable. In this process, Japan's economic structure will probably, of necessity, have to undergo further adjustments.

Ukrainian President Arrives for Official Visit

OW2203064395 Tokyo KYODO in English 0622 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Ukraine President Leonid Kuchma arrived in Japan Wednesday [22 March] afternoon for a four-day visit, during which he will hold talks with Japanese leaders.

Kuchma and his wife Ludmila are scheduled to meet Emperor Akihito and Empress Michiko Thursday morning. The Ukrainian president will hold talks with Prime Minister Tomiichi Murayama later in the evening.

On Friday, Kuchma, who came to power last July, will attend a luncheon meeting hosted by Japanese economic organizations and give a press conference before heading for the western Japanese city of Kyoto, which is the sister city of the Ukrainian capital, Kiev.

Kuchma will leave Japan Saturday after visiting Nagoya.

On the agenda for talks between Murayama and Kuchma are Ukraine's economic reforms, bilateral and international relations including the situation in Asia and reforms of the United Nations, Foreign Ministry officials said.

Murayama is expected to express support for Ukraine's economic reforms and vow assistance in the dismantling of nuclear weapons in the country, the officials said.

Ukraine is one of four former Soviet republics that inherited over 1,000 nuclear warheads when the Soviet Union collapsed in 1991.

Japan pledged 100 million dollars in 1993 to help the four former republics—Russia, Kazakhstan, Belarus and Ukraine—dismantle their nuclear weapons.

Murayama and Kuchma will discuss ways to create a basic framework for relations between the two countries and to boost cooperative ties, the officials said.

They will also confirm that treaties and agreements signed between Japan and the former Soviet Union will remain in force, with the exception of those which have no significance for Tokyo and Kiev.

Following the talks, the two leaders are scheduled to issue a joint statement outlining the foundations for bilateral political and economic relations.

According to a draft of the document obtained by KYODO NEWS SERVICE, ukraine will express support for Japan's bid to become a permanent member of the UN Security Council.

The two countries will also express their support for an indefinite extension of the nuclear Nonproliferation Treaty, which comes up for renewal this year, the draft said. Ukraine formally renounced nuclear arms and joined the NPT as a nonnuclear state last December.

The 1970 treaty commits nonnuclear countries to never acquire or produce atomic arms, but permits the existing nuclear powers—the United States, Russia, China, France and Britain—to possess nuclear arms.

The draft statement also says that Japan and Ukraine will cooperate in coping with the damage caused by the 1986 explosion of one of the reactors at the Chernobyl nuclear power plant in Ukraine.

Ukraine, citing financial difficulties, has not closed down the Chernobyl plant despite calls from Japan and other industrial countries. No reference is made to this issue in the joint statement.

The officials said a meeting is also expected between Ukrainian Foreign Minister Hennadiy Udovenko, who will accompany the president to Japan, and his Japanese counterpart Yohei Kono during Kuchma's trip, but that the date has not yet been set.

Interviewed on Chernobyl

OW2203070895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Mar 95 Evening Edition p 2

[Report on an interview with Ukrainian President Leonid Kuchma by Toshihiko Kashiwa in Kiev on 17 March]

[FBIS Translated Excerpt] Kiev, 17 March—Ukrainian President Leonid Kuchma, who is scheduled to visit Japan from 22 March, indicated his view that it will be difficult to close down the Chernobyl nuclear power plant at an early date, in spite of the industrial nations' (G-7) call for shutdown by 1997. He said this during an interview with NIHON KEIZAI SHIMBUN and other reporters. In the interview, he pointed out there is a shortage of funds for building a substitute power plant and called for further financial support from Japan and other industrial nations. Concerning Ukraine's relations with Russia, he disclosed that prospects for concluding a friendly cooperative treaty have become uncertain because of the deadlock in negotiations on the issue of the Black Sea Fleet's home port.

Kuchma will be the first Ukrainian president to pay an official visit to Japan. He indicated that, during his visit he plans to ask Japanese industries to invest in his country in the area of iron and steel, chemicals, aviation, and space technology. In addition, he indirectly expressed his view that he will support Japan's bid to gain a permanent seat on the UN Security Council.

Asked about the issue of closing down the Chernobyl nuclear power plant, the President said: "If other nations want the plant closed, I want them to consider whether it can be closed down by Ukraine alone," thus indicating his view that it will be difficult to close the plant until the framework of the industrial nations' financial support is set up. Moreover, he said it is necessary to dispose of waste nuclear fuel and replace the confined wall of the fourth reactor, which caused the 1986 accident, with a new one, thus calling for Western nations' cooperation.

Asked how he will come to grips with economic reform, he stressed that, except for a plan to drastically shift to a market economy, "there is no alternative left, and I will promote it resolutely." However, he said that financial support Western nations have given so far "totals $2.7 billion, extended by the International Monetary Fund (IMF), the World Bank, and the European Union (EU)." He then called on industrial nations to extend $4 billion—which the G-7 agreed on at the Naples Summit last year—as early as possible. He also called for Japan's cooperation as a member of the G-7. [passage omitted]

On the issue of extending the Nuclear Nonproliferation Treaty (NPT), Ukrainian President Kuchma said he will positively support the indefinite extension of the treaty. Asked about his view on the expansion of the NATO framework to Eastern Europe, he said: "It should be carried out gradually while taking into consideration the national interest of Russia and Ukraine."

Growing Fears of 'China Threat' in Asia Noted

OW2203105895 Tokyo MAINICHI SHIMBUN in Japanese 16 Mar 95 Morning Edition p 3

[Fifth in the series "Cold Peace"; this installment entitled: "Logic of Redefining Security"; "Growing Fears About 'China Threat' Under Military Expansion and Economic Growth"]

[FBIS Translated Text] "He is very talkative," said Prime Minister Tomiichi Murayama with an unpleasant look as he came out of the room where a Japan-PRC summit meeting was held.

Last November, in an international convention hall in Jakarta, Chinese President Jiang Zemin, taking up his position in a supreme reception room, called on leaders who came to Jakarta to attend the unofficial summit meetings of the Asia-Pacific Economic Cooperation (APEC) forum such as President Clinton and South Korean President Kim Yong-sam and held talks with them.

When he met Prime Minister Murayama, President Jiang Zemin, without even looking at Murayama's face, criticized the Japanese Government for allowing a Taiwanese leader to attend the opening ceremony of the Asian Games in Hiroshima.

At that time, negotiations between Japan and the PRC on the issue of extending the fourth set of yen loans to China were entering the crucial stage, and there was a critical view within the Liberal Democratic Party [LDP] that "the loan might be contributing to China's increased military spending." At his meeting with the Chinese leader in Jakarta, Prime Minister Murayama intended to call on President Jiang Zemin to use self-restraint on nuclear testing and military expansion, while mentioning Japan's position on its loans to the PRC. However, he was overwhelmed by President Jiang Z emin's oratorical power, and the Chinese president never mentioned that PRC "welcomes yen loans."

In this connection, former Prime Minister Kiichi Miyazawa, who is positive about redefining the Japan-U.S. security system as a key element in stabilizing Asia, stated his view at his office in Tokyo: "China is becoming economically strong. In the 21st century, China will constitute a threat to the world. There is no exception to the rule that economic superpowers have become military superpowers. Southeast Asian nations are wary of China's possible advance toward the south."

He then noted the need to review yen loans to the PRC, saying: "The Japanese probably hesitate to speak their minds freely because China is their neighbor. But now we need to consider whether we should lend approximately Y200 [yen] billion annually to the nation which may become a military superpower."

"Fear about the China threat" is increasingly expressed when the issue of redefining the Japan-U.S. security system is discussed.

Early in December last year in Tokyo the foreign ministry held a three-day "Asia-Pacific Regional Conference" of Japanese ambassadors stationed in Asian nations.

"While becoming disenchanted with Japan as a market, many Asian nations see China as a pole star. Since China counters the United States, even if it's human right policy is criticized, Asian nations are placing trust in China," said (then) Ambassador to China Michihiko Kunihiro. He added: "China's overall spending will expand as its economy continues to grow, and therefore military spending will also grow naturally."

But the participating ambassadors who are stationed in Southeast Asian nations successively noted the China threat. Ambassador to Vietnam Kazuo Ogura said "although Vietnam has no choice but to follow the example of China as a senior socialist state to Vietnam, they are wary of China." Sharp debates in the ambassadorial meeting over the possible China threat have immediately become the topic of discussion in government and political circles. Ambassador Kunihiro, after the meeting, reportedly told his friend that "I tried to defend (China), but I failed."

Even in the United States the focus of attention has shifted to the "China threat." Touching on China's expanding military expenditures and underground nuclear testing, "The Security Strategy for the East Asia-Pacific Region" report released by the Pentagon on 27 February said "Since the Chinese military's modernization plan, capability, and intentions are not known clearly, other Asian nations will feel the necessity to deal with China's growing military power," and pointed out that there is a possible danger that the "China threat" would lead to overall military expansion in Asia.

Referring to a growing fear of the "China threat," an experienced ambassador indicated a skeptical view, saying: "I wonder if China really poses a threat to Japan. I guess both Japan and the United States consider that having people see China as a "threat" will help win public understanding of the necessity of redefining the Japan-U.S. security system." In this way, how to view the "China threat" is becoming the unavoidable issue in reviewing the Japan-U.S. security system.

Future of Relations With ROK Viewed

OW2103142495 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Mar 95 Morning Edition p 2

[By correspondent Ichiro Ishikawa]

[FBIS Translated Text] Seoul, 18 March—This year marks the 50th anniversary of the end of World War II and the 30th anniversary of the normalization of diplomatic ties between Japan and South Korea. However, Seoul has expressed concern about the future of its relations with Japan. The concern stems from fear that emotional friction may arise between the two countries over the planned dispatch of a joint mission to the DPRK (North Korea) by Japan's three ruling parties and the proposed adoption of a "war-renouncing resolution" in Japan's Diet. In particular, in connection with the antiwar resolution issue, Seoul gets nervous each time Japanese politicians make remarks denying Japan's invasion of Asian countries during the war. It is possible that the discord among Japan's ruling parties over the antiwar resolution will overshadow relations between the two countries.

At a meeting in Copenhagen on 11 March, Prime Minister Tomiichi Murayama and ROK [Republic of Korea] President Kim Yong-sam agreed that because this was a delicate year, they should not do things which hurt the feelings of each other's people. However, at a later date remarks were made by some Japanese politicians, including former Justice Minister Seisuke Okuno, opposing the idea of expressing in an antiwar resolution regret and apology for Japan's acts during the war. This drew criticism from the Korean people. Although President Kim said in his new year speech, "I hope the leaders of the two countries will be careful about their remarks," the current situation is opposite to what he expected.

The ROK's ruling and opposition parties have jointly proposed a parliamentary resolution calling for opposing granting Japan a permanent seat on the UN Security Council unless the nation expresses regret and apology for the war. Although Seoul postponed taking a vote on this resolution during the extraordinary session of the parliament, which closed on 18 March, it will intensify its call for Japan to apologize for its acts during the war.

A source within the ROK Government said: "The recent moves in Japan could backpedal efforts to create a future-oriented relationship between the two countries." There is no denying that Seoul has had high expectations that Japan will adopt an antiwar resolution because Japan's three ruling parties agreed to do so when the Murayama government was inaugurated. The same source said: "If Japan calmly makes positive moves, we can convince our people that Japan will adopt an antiwar resolution. But there are no such moves in Japan."

Kim Yun-hwan, chairman of the Korea-Japan Parliamentarians' Union, is scheduled to visit Tokyo on 27 and 28 March. During the visit, he will meet with Japanese politicians. It is believed that his visit to Japan is aimed at avoiding possible emotional friction between the two countries over the ruling parties' dispatch of a mission to the DPRK and the issue of the Japanese Diet adopting an antiwar resolution.

Coalition To Send Mission to DPRK 27 Mar

OW2203083195 Tokyo KYODO in English 0746 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The three ruling coalition parties agreed Wednesday [22 March] to send a mission to North Korea for three days from next Monday to try to break stalled normalization talks, Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] sources said.

The SDP, the Liberal Democratic Party (LDP) and New Party Sakigake [Harbinger] reached the accord in a meeting of officials of their policy boards, the sources said.

The LDP decided last week to postpone the planned visit to North Korea by a mission of the ruling coalition parties after it failed to persuade the SDP to join the mission.

The LDP had proposed sending a coalition mission to North Korea for three days from March 16.

Kubo on DPRK Delegation, Antiwar Resolution

OW2103125695

[FBIS Editorial Report] Tokyo FNN Television Network in Japanese at 2233 GMT on 18 March, in its regular Sunday magazine "News 2001" program, carries a 32-minute live interview with Wataru Kubo, general secretary of the Social Democratic Party of Japan [SDPJ]. FNN newscaster Yuji Kuroiwa and guest commentators Kenichi Takemura and Susumu Nishime participate in the interview from the FNN studio, while MAINICHI SHIMBUN editorial consultant Takao Iwami joins them via remote hookup. The first topic is "the postponement of the delegation's dispatch to the DPRK."

Newscaster Kuroiwa opens the interview by asking Kubo about recently circulating rumors that Prime Minister Tomiichi Murayama is not as enthusiastic in his work as he used to be. Kuroiwa says "reports say Mr. Murayama feels run down" and "is losing interest" in what he is doing, but Kubo refutes the reports, saying: "I don't think so. Being prime minister demands very big responsibilities, and it is a lonely job. A man who has no interest cannot stay in that post even for a day."

In reference to the question of the ruling parties sending a delegation to the DPRK, Kuroiwa asks Kubo if the SDPJ is reluctant about the matter because the idea of sending the mission this time "originated from the Liberal Democratic Party [LDP]." Kubo insists "such an assertion is inappropriate," and recalls: "When the LDP first spoke to me about it, what I said, first of all, was that we must do everything we can to establish and normalize diplomatic relations with North Korea."

Kubo then says the whole thing boils down to the question of whether "the Workers' Party of Korea [WPK] has truly decided to change its stand on the joint declaration by the three parties [the SDPJ, the LDP and the WPK]." He said: "What we are saying is that we should come to a decision on dispatching the delegation only after having confirmed the WPK's position on this point."

The SDPJ general secretary adds that different views existing within the three ruling parties also need to be adjusted before the delegation is sent to North Korea.

Kuroiwa says the public cannot understand why the ruling camp wants to hurry the dispatch of the delegation, while all the important issues, such as North Korea's suspected nuclear-arms programs, assistance on building light-water reactors, and so forth will be left for the government-level talks to handle. He asks: "If that is the case, why are they in a hurry to go?"

Kubo avoids giving a direct reply to this question, saying: "The question comes down to what the government—or the Ministry of Foreign Affairs [MOFA]—is doing. The MOFA appears to have been involved in negotiations with the WPK on the matter of sending the ruling parties' delegation to North Korea. But I think it desirable that the ministry make more efforts to enable the government-level conference to resume."

Kuroiwa then refers to reports which allege that one purpose for sending the delegation is to discuss the DPRK's request for rice assistance. Kubo says: "No, that matter has not been discussed formally, though there is no denying the fact that the topic is being talked about. But if food assistance is to be made, that should be something to be discussed between the two governments. I do not think this is something political parties should handle."

Kubo says the delegation can be sent to North Korea once the three parties have arrived at an agreement on ways of dealing with talks in Pyongyang and once they have confirmed North Korea's intentions, including its position on the three parties' joint statement. But he adds: "At the present stage, seeing the developments so far, making that confirmation is going to be difficult. Thus, we have informed the LDP that under present conditions, it will be very difficult for the SDPJ to participate in the delegation."

He adds that his party has informed the LDP that the latter can form the delegation on its own or together with New Party Sakigake [Harbinger], without the SDPJ's participation.

At 2253 GMT, the topic turns to the issue of the SDPJ-proposed antiwar resolution. Kuroiwa notes that when the Murayama government was inaugurated, the three ruling parties reached an agreement to adopt a Diet resolution to express regrets over Japan's wrongdoing during the past war and to show its determination to seek peace for the future. He says that despite this accord, the LDP is opposing the adoption of a war-renouncing resolution because the SDPJ has demanded the addition of Japan's apology for the war to the resolution. Kuroiwa says the LDP appears to fear that such a resolution could be interpreted as Japan's official recognition of its wrongdoing during the war. Kubo, however, says: "The ruling parties have agreed to express regrets over past wrongdoing. Thus, they should also agree to express an apology for what Japan has done so that the nation's determination to seek peace for the future will be stronger. I think it is quite natural to do so." Asked whether or not the SDPJ will cling to the idea of apologizing in the resolution, Kubo says the matter should be discussed based on the ruling parties' accord. From a historical viewpoint, Nishibe and Takemura oppose the idea of Japan officially expressing an apology, claiming such an act only highlights bad things that Japan did during the war and ignores good things the nation did.

Next, they discuss issues relating to the move within the SDPJ to form a new party and the forthcoming elections. Kubo says the matter of forming a new party is currently being studied by an intraparty committee. Asked about the possibility of the House of Representatives and the House of Councillors elections taking place on the same date, Kubo says: "I recently told a meeting that under the current system, it would be difficult to hold the elections of both houses on the same date. But I said that the possibility of both elections taking place [in July] could not be denied." Citing the opinion within the LDP that the current framework of the ruling coalition should be maintained even if one of the parties wins the majority of seats in the forthcoming election, Kuroiwa asks Kubo what he thinks of this. Kubo opposes the view, noting that there would not be enough opposition parties unless a party holding a majority of seats takes power on its own.

Coalition To Seek '4-Party Agreement' in DPRK

OW2203134395 Tokyo KYODO in English 1214 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Ruling coalition officials agreed Wednesday [22 March] on a three-day mission to North Korea next week in an effort to restart stalled normalization talks, saying they would seek a "four-party agreement" in Pyongyang.

Senior officials of coalition members the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and New Party Sakigake [Harbinger], are scheduled to meet Thursday evening and formally announce the mission's plans.

The basic agreement on the plans was hammered out Wednesday by members of each party's policy board.

Former Foreign Minister Michio Watanabe of the LDP has tentatively been selected as mission chief.

The mission, comprised of from two to four officials from each party in the coalition, will leave for Pyongyang on Monday for three days of meetings with North Korean ruling party officials over breaking the deadlock in negotiations to establish diplomatic relations.

The LDP had proposed sending a mission earlier this month, but plans were held up last week over a disagreement with the SDP over the handling of a 1990 declaration with the Workers Party of Korea (WPK).

The declaration called on Japan to pay compensation to North Korea for its 1910-1945 colonial rule over the Korean peninsula and "postwar damages" and also opened the way for the first Tokyo- Pyongyang normalization talks.

On Wednesday, the parties' policy board members agreed that the LDP-SDP-WPK declaration would be recognized as a "historical fact" and that the coalition would seek a new "four-party agreement."

They also agreed that the mission will approach the resumption of normalization talks without any preconditions and would be dispatched after asking for confirmation from the WPK.

Negotiations aimed at setting up Tokyo-Pyongyang ties got under way in January 1991 but were broken off after eight rounds in November 1992 over Japanese demands for information on a Japanese woman believed kidnapped by North Korean agents.

The policy officials agreed in principle Wednesday that the mission will propose forgetting the unfortunate past and bringing about an early realization of normal ties.

The officials added that there would be no preconditions to the resumption of normalization talks.

The policy officials also stressed the independence and autonomy of the four parties and as officials of the ruling parties asked the two governments to resume talks soon to restore diplomatic ties.

Lawmakers on Japan-North Korea and Japan-South Korea Committees in the Diet also met Wednesday to throw their support behind the mission.

Religious Group Linked to Sarin Poisonings

OW2203031095 Tokyo NHK General Television Network in Japanese 0028 GMT 22 Mar 95

[Announcer-read report; from "NHK News" program]

[FBIS Translated Excerpts] [Passage omitted on police investigation of facilities of the Buddhist sect Aum Shinrikyo similar to second referent item] We will look into what kind of religious group Aum Shinrikyo [True Doctrine Religion] is—its religious doctrines and the religious activities in which it is engaged.

Aum Shinrikyo is a religious group led by Representative Shinko Asahara. He is both ruler and representative of the group. The group received approval to become a religious foundation from the Tokyo Metropolitan Government in August 1989. According to Aum Shinrikyo, it has about 10,000 followers. The group has large facilities to accommodate followers in Fujinomiya City of Shizuoka Prefecture and Kamikuishiki-mura of Yamanishi Prefecture. The followers live together there.

The group also has headquarters, chapters, and drill halls [dojo] in Tokyo, Osaka, and other places across the country. It also has overseas chapters to propagate its belief.

The doctrines of Aum Shinrikyo are based on ancient yoga and primitive Buddhism, and require worshipping Siva, believed to be the god who presides over destruction. The doctrines assert that the followers, who receive teachings and secrets from group ruler Asahara, will be delivered from their sins and will gain absolute freedom and happiness.

The doctrines further assert that the followers, who want to be delivered from their sins, will have to keep on hearing representative Asaha's lectures and practice yoga meditation. The group increased its number of followers by insisting that its followers can come to have superhuman capabilities in this process as well.

In the House of Representatives' election conducted in 1990, a total of 25 people from the group, including Representative Asahara, ran under the political party of Shinri-to; none were elected.

Aum Shinrikyo mandates that its followers live in drill halls and does not allow them to see their family members. Consequently, parents who are worried about their children have formed an association of victims and filed a lawsuit demanding the return of the children to their homes. [passage omitted on recent incident of a college student being kidnapped by an Aum Shinrikyo group]

'Aum Shinrikyo' Profiled

OW2203093595 Tokyo KYODO in English 0841 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The religious sect Aum Shinrikyo, the target of a concerted police search operation Wednesday [22 March] in connection with a kidnapping case last month, uses Shiva, the hindu god of destruction and renewal, as its main image.

The "aum" derives from a Sanskrit word which stands for the essence of the universe. Shinrikyo means teaching of the truth.

It is used in Hindu prayers and in Tibetan Lamaism as a mantra in the mystical contemplation of ultimate reality.

The sect promotes a version of Tibetan-style mysticism and promises extrasensory experiences as a path to enlightenment.

In the 1980's during a boom in new religions in Japan, it won a following among teenagers and people in their 20's.

The sect became a target of media interest after a series of incidents, including the 1989 disappearance of the family of Yokohama lawyer Tsutsumi Sakamoto, then 34, who represented a group of parents trying to have their children returned from the sect.

Recently, the sect has strengthened its stand against the authorities, charging them with religious suppression.

According to documents released by the sect, its leader Shoko Asahara, whose real name is Chizuo Matsumoto, established it in 1987 and it was legally registered as a religious organization in 1989.

Asahara claims to have achieved enlightenment as a result of an ascetic experience in the Himalayas.

Initially, it claimed that through the practice of yoga adherents could achieve extrasensory experiences and ultimately rise above worldly ties.

The sect uses as its main image the Hindu god Shiva, a god of destruction and regeneration.

It has its main headquarters in Fujinomiya with a Tokyo branch in Minato Ward, and facilities in the nearby village of Kamikuishiki in Yamagata Prefecture.

In 1992, the sect moved overseas. It now has four overseas branches, including those in New York and Moscow, and uses radio Moscow's radio waves to beam regular programs to Japan.

Aum Shinrikyo has about 10,000 followers in Japan, of whom some 1,000 are reported to have abandoned their homes and families and to be living at Kamikuishiki and the sect's other facilities.

Officials of the village of Kamikuishiki said the sect and its related companies began moving into the village in 1989.

It subsequently bought up some 4.5 hectares of land where it constructed a center divided into seven blocks with more than a dozen buildings named after the Sanskrit word for "truth."

The sect's publicity section says the center contains facilities for machinery, food, printing, medical treatment and religious devotion.

Traces of a substance which could be used in the production of sarin were found in soil near one of the sect's buildings in Kamikuishiki following complaints of a foul smell coming from the area last year. An air purifier developed by the sect stands outside the same building.

A number of windowless buildings stand in one of the blocks and a Russian-made helicopter also stands in the grounds.

In 1990, Asahara and other sect members stood as candidates in general elections. All of them lost, but succeeded in attracting attention by their commitment to opposing the consumption tax and by a catchy marching tune using Asahara's name during the campaign.

The sect also ran a campaign in weekly magazines in 1989, urging people to abandon their homes and jobs and join it in communal living.

Local people opposed plans to house the sect's facilities in a village in Kumamoto Prefecture, southern Japan, and in Kamikuishiki.

There have also been a number of incidents involving families' opposed to their members' attempts to donate to the sect.

The sect has also been charged with forcibly bringing back to its fold followers who have left it and confining them at its facilities.

Three members of the religious group were arrested Sunday on suspicion of kidnapping a university student who reportedly wanted to leave the group.

People who have left the sect have charged that it administered chemical substances to its followers as part of its religious practices. Former members tell of the sect resorting to legal means, including the bringing of suits and the laying of charges against anyone who speaks out against it.

The sect sent KYODO NEWS SERVICE a faxed message in the name of Asahara late Tuesday denying it was responsible for kidnappings and the production of poison gas.

The message said the sect stands for peace and freedom.

"The oppression and destruction in this manner of the one religion vital to Japan is tantamount to Japan being as it was before World War II," the message said.

Linked to Other Cases

OW2203011095 Tokyo KYODO in English 0055 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The metropolitan police department suspects that the "same organization" was behind Monday's [20 March] fatal nerve gas attack on Tokyo's subway system and last summer's two gas poisoning cases, police sources said Wednesday.

No individual or group has claimed, or been clearly assigned, responsibility in any of the three cases.

Police believe that in all three cases, sarin, a lethal nerve gas developed by Nazi Germany in the 1930s, was the substance used.

Investigators examining residues found in the affected subways, and at the sites of the two previous cases, have identified the substance as a chemical compound called methyiphosphine acid diisopropyl, the sources said. The chemical, an organophosphorus compound, is a by-product of sarin, they said.

The nerve gas attack during Monday's morning rush hour claimed eight lives, while 5,510 people received treatment at hospitals. Seventeen of those stil hospitalised are in critical condition, while 37 others are listed as serious, police and firefighters said.

Police are trying to identify several men who were seen leaving sarin-filled containers in subways during the Monday morning incident.

A total of six containers were found on five trains, on the Hibiya, Marunouchi and Chiyoda subway lines, that run through Tokyo's central business district.

Last June, sarin fumes speard across a residential area in Matsumoto, Nagano Prefecture, central Japan, killing seven and making more than 200 others ill.

In July, residents of the Kamikuishiki Village, Yamanashi Prefecture, complained of "a bad smell" and police found a compound similar to that observed in the cases in Tokyo and Matsumoto, the sources said.

The site of the Kamikuishiki incident is near a facility that belongs to the religious cult Aum Shinrikyo, which has denied speculation that it might have been linked to the nerve gas attack on Tokyo's subway system.

On Wednesday morning, police raided buildings belonging to the sect, including its Kamikuishiki facilities, in connection with last month's kidnapping of a Tokyo notary public.

The New Tokyo International Airport Authority, which operates Narita Airport, east of Tokyo, has strengthened security at the airport to guard against a possible gas attack.

The authority is also airing announcements every 30 minutes, asking people to report any suspicious packages or individuals.

Police Launch 'Massive' Raids

OW2103233595 Tokyo KYODO in English 2307 GMT 21 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Police launched massive raids Wednesday [22 March] on some 25 offices of a religious group on Wednesday, saying it was in connection with an abduction in Tokyo last month.

Some 2,500 police officers raided the headquarters in Shizuoka, central Japan, Tokyo and other offices of Aum Shinrikyo, on suspicion that members of the sect were involved in the Feb. 28 abduction of Kiyoshi Kariya, 68, head of a notary public office in Tokyo's Meguro Ward.

Police raiding the sect's facilities were wearing gas masks.

In Kamikuishiki-mura, Yamanashi Prefecture, where the sect has a branch, a substance related to sarin, the nerve gas used in Monday's mass poisoning on Tokyo subways, was found in July last year. Police said they will also investigate the group in connection with the incidents.

Kariya was kidnapped by a group of unidentified men and is still missing.

Police said they discovered the fingerprint of an Aum member on the documents for a rented car used to abduct kariya.

Police said they prepared an arrest warrant and are searching for the suspect. They said they will also question senior sect members in an attempt to find Kariya.

Kariya's sister was a member of Aum Shin?? leave it but the sect had demanded that she hand over the notary office building and the land on which it stands in return for allowing her to quit, according to informed sources. The sect had set Feb. 28, the day on which her brother was kidnapped, a??for the property transfer, the sources said.

The sect said that after Kariya's disappearance, his sister telephoned them to say she would continue practicing the religion but wanted to leave the group.

She reportedly quit the religious group.

Au
inrikyo (supreme truth) was founded in 1987 by Shoko Asahara, who says he was spiritually awakened in the Himalayas.

The group has its headquarters in Fujinomiya, Shizuoka Prefecture in central Japan, and has 19 branches throughout the country. It also has branch/cow.

It claims some 10,000 followers in Japan.

The Defense Agency, meanwhile, dispatched four Self-Defense Forces (SDF) officers to help police in the raids in case toxic chemicals are found, agency officials said.

In response to the raid on the Kamikuishiki-mura branch, the sect accused the police of cracking down on religion.

In a statement, the group said that police ignored the sect's response to accept questioning by police concerning the abduction case on a voluntary base.

The statement was faxed to KYODO NEWS SERVICE after police cars gathered around the facility for the raids late Tuesday.

On Sunday, police raided the religious group's Osaka chapter and rescued a university student who had reportedly been abducted, and arrested three people on suspicion of kidnapping the student.

Cult Members Found in Coma

OW2203044095 Tokyo KYODO in English 0434 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Police found about 50 followers of the religious cult Aum Shinrikyo lying in a coma Wednesday [22 March] in one of the sect's facilities in Yamanashi Prefecture near Mt. Fuji, police said.

They were discovered in a "chapel" of the religious sect in Kamikuishiki and doctors said they appear to be suffering from malnutrition, officials said.

No poison gas has been detested at the site, they said.

Police entered the facility as part of a massive raid launched Wednesday morning in connection with the recent abduction of the brother of a sect member in Tokyo.

Police searching the facility also found several dozens of bottles of a solvent used in the manufacture of sarin, the lethal nerve gas used in the Monday terrorist attack on Tokyo subways, which killed 10 and injured some 5,500.

The cult group has been linked in media reports to the terrorist act, but it strongly denies any connection with the case.

Investigators suspect the 50 followers, who were among a total of more than 100 followers found in the "chapel," had apparently been fasting for nearly a week.

A middle-aged man and a woman out of the six followers taken to hospital are in critical condition, firefighters said.

The metropolitan police department arrested four people at the Kamikuishiki facilities on suspicion of illegal confinement.

The arrests were made in a separate case from a brother of a follower, who was kidnapped last month, although police declined to provide details.

Suspected Sarin Component Confiscated

OW2203065895 Tokyo KYODO in English 0640 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Police found large amounts of a substance believed to have been used in Monday's [20 March] poison gas attack on Tokyo subways in massive raids Wednesday on Aum Shinrikyo, a religious sect.

Some 50 comatose followers of the cult were also found in an advanced state of malnutrition on the sect's premises in Kamikuishiki, Yamanashi Prefecture, police said.

Police arrested four sect members at the facility on suspicion of illegal confinement.

Six of the haggard followers, found in a "chapel" of the cult, were taken to a local hospital. Two of them, a man and a woman, are reportedly in serious condition.

Some 50 of about 100 persons found in private rooms were so enfeebled that they could not respond to questioning by police officers. They appear to have eaten nothing for nearly a week and are suffering from severe malnutrition, according to doctors who examined them.

In a different part of the same facility in Kamikuishiki, police also discovered several dozen bottles believed to be containing acetonitrile, one of the chemical residues found in subway trains after Monday's sarin nerve gas attack, which killed 10 people and left thousands injured.

Nearly 2,500 Japanese police, some wearing chemical warfare gear, raided 25 facilities of the sect, saying the operation was being mounted in connection with an abduction of a brother of one of the cult's followers.

The sect has denied any connection with the nerve gas attack on the Tokyo subway.

Some of the police officers raiding the sect's facilities wore full-face gas masks and carried caged canaries, apparently as a means to detect the presence of gas.

The Defense Agency dispatched four Self-Defense Forces (SDF) officers to help police in the raids, in case toxic chemicals are found, agency officials said.

Sarin first came into the national spotlight last June, when it killed seven people and injured more than 200 in a residential area of Matsumoto, Nagano Prefecture. Nobody has been arrested in that case.

Traces of the nerve gas were also found in July, when residents around the Aum facility in Kamikuishiki complained of a bad smell and police investigated around the site.

In the Wednesday raids, police officers entered the sect's headquarters in Shizuoka, central Japan, and Aum facilities in Tokyo and other places, breaking through barricades and pushing aside resisting cult members.

Police said the raids were to search for evidence related to the Feb. 28 abduction of Kiyoshi Kariya, 68, head of a notary public's office in Tokyo's Meguro Ward.

Sect members are suspected of kidnapping Kariya, and police have an arrest warrant for a senior Aum member, Tsuyoshi Matsumoto, 29.

Eyewitnesses of the abduction said Kariya was dragged into a van and taken away by several unidentified men. No clues to his whereabouts have been found so far.

Police said they discovered the fingerprint of an Aum member on documents relating to the rented car used to abduct Kariya.

Police said they have obtained an arrest warrant for the abductors and are searching for the suspects. They said they will also question senior sect members in an attempt to find Kariya.

Kariya's sister was a member of Aum Shinrikyo and wanted to leave the group, but the sect had demanded that she hand over the notary office building and the land on which it stands, in return for allowing her to quit, informed sources said.

The sect had set Feb. 28, the day on which her brother was kidnapped, as the deadline for the property transfer, the sources said.

Aum Shinrikyo (Supreme Truth) was founded in 1987 by Shoko Asahara, who says he is the only person in Japan who has achieved ultimate enlightenment.

The group, which claims 10,000 followers in Japan, has its headquarters in Fujinomiya, Shizuoka Prefecture in central Japan, and has 19 branches throughout the country. It also has branches in New York and Moscow.

The members of the sect are required to contribute all their assets to the organization and live with other followers in communes.

The sect has been involved in numerous disputes with the families of followers and members of local communities near its facilities.

Some former members of the group say medicines are administered to the members as part of the sect's practices.

They also said members who escape from the facilities are often forcefully taken back or confined.

In response to the raid on the Kamikuishiki branch, the sect accused police of suppressing religion.

In a statement, the group said police had ignored the sect's offer to accept voluntary questioning about the alleged abduction.

The statement was faxed to KYODO NEWS SERVICE after police cars gathered around the facility late Tuesday prior to the raids.

On Sunday, police raided the religious group's Osaka chapter and rescued a university student who had reportedly been abducted. They arrested three people, including sect followers, on suspicion of kidnapping the student.

The principal target of the Wednesday raid was the Aum's Kamikuishiki complex at the foot of Mt. Fuji, which is regarded as the "heart" of the cult with more than a dozen facilities in an area of 1 kilometer in radius.

Sect leader Asahara as well as dozens of followers' children are believed to be living in the "sixth facility" in the village.

The sect Tuesday parked several cars, including a large truck, in the access way to the facilities to prevent the police from entering.

About 20 apparent followers faced police in the raid but did not stage any violent resistance.

Parents of followers concerned about the safety of their children also came to the complex following reports of the raids.

Among them was a 46-year-old housewife from Hyogo Prefecture, western Japan, whose 22-year-old son joined the religious sect last September.

"I have come to kill myself if my son and other followers commit mass suicide," she said.

Another woman from Kobe kept calling out her daughter's name toward the facilities.

More on Sarin Substance

OW2203031995 Tokyo KYODO in English 0310 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Police found a substance that appears to be a sarin solvent Wednesday [22 March] at a facility of the religious cult Aum Shinrikyo, in the village of Kamikuishiki, Yamanashi Prefecture, police sources said.

The substance, acetonitrile, was contained in several dozens bottles at the facility. Acetonitrile was one of the chemical residues found in subway trains after Monday's deadly sarin gas attack in which 10 died.

Nearly 2,500 Japanese police, some wearing chemical warfare gear, raided 25 facilities of the Aum Shinrikyo religious sect early Wednesday morning, saying the operation was being mounted in connection with an abduction in Tokyo last month.

The police officers entered the sect's headquarters in Shizuoka, central Japan, and other Aum facilities in Tokyo and other places, breaking through barricades and pushing aside resisting members, in a search for evidence related to the abduction.

Police suspect that members of the sect were involved in the Feb. 28 abduction of Kiyoshi Kariya, 68, head of a notary public office in Tokyo's Meguro Ward.

The secretive sect has been linked in media reports to the nerve gas attack on Tokyo subways Monday, which killed 10 and injured over 5,000 people, but the group strongly denied any connection with the terrorist act and criticised the reports.

Some of the police officers raiding the sect's facilities wore full-face gas masks and carried a canary in a cage, apparently as a means to detect the presence of gas.

A substance related to sarin, the nerve gas used in Monday's mass poisoning on Tokyo subways, was found in July last year at a branch center of the sect, in Kamikuishiki Village, Yamanashi Prefecture. Police said they will also investigate the group in connection with the Tokyo attack.

Eyewitnesses of the abduction said kariya was dragged into a van and taken away by several unidentified men who had ambushed Kariya on his way home from work. No clues to his whereabouts have been found so far.

Police said they discovered the fingerprint of an Aum member on documents relating to the rented car used to abduct Kariya.

Police said they had issued an arrest warrant for the abductors and are searching for the suspects. They said they will also question senior sect members in an attempt to find Kariya.

Kariya's sister was a member of Aum Shinrikyo and wanted to leave the group, but the sect had demanded that she hand over the notary office building and the land on which it stands, in return for allowing her to quit, according to informed sources. The sect had set Feb. 28, the day on which her brother was kidnapped, as the deadline for the property transfer, the sources said.

Aum Shinrikyo (Supreme Truth) was founded in 1987 by Shoko Asahara, who claims he is the only person in Japan who has achieved ultimate enlightenment.

The group, which claims 10,000 followers in Japan, has its headquarters in Fujinomiya, Shizuoka Prefecture in central Japan, and has 19 branches throughout the country. It also has branches in New York and Moscow.

The members of the sect are required to contribute all their assets to the organization and live with other followers in communes.

The sect has been involved in numerous disputes with the families of followers, and members of the local communities near their facilities.

Some former members of the group say drugs are administered to the members as part of the sect's practices.

They also said members who escape from the facilities are often forcefully taken back or confined.

The Defense Agency, meanwhile, dispatched four Self-Defense Forces (SDF) officers to help police in the raids, in case toxic chemicals are found, agency officials said.

In response to the raids, the sect accused the police of suppressing religion.

On Sunday, police raided the religious group's Osaka chapter and rescued a university student who had reportedly been abducted, and arrested three people, including sect followers, on suspicion of kidnapping the student.

Kono Urges Ratification of Chemical Arms Treaty

OW2203035695 Tokyo KYODO in English 0331 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Foreign Minister Yohei Kono on Wednesday [22 March] called for an early ratification of the chemical weapons ban treaty and enactment of related domestic law as steps to crack down on possession and production of poison gases.

Kono said in an unofficial meeting of cabinet members that the treaty has yet to be discussed at the current Diet session.

The ratification of the treaty, which was signed by 130 countries in January 1993, and the domestic law will enable restrictions to be imposed on possessions and production of poison gases, Kono said.

In the same meeting, Home Affairs Minister Hiromu Nonaka said the government should draft special legislation banning the possession of sarin, a lethal nerve gas that killed 10 people and made over 5,500 ill in Monday's attack on Tokyo subways.

Nonaka, also chairman of the National Public Safety Commission, which supervises police, said Japan has no law to punish people who possess sarin, or the chemicals to produce it.

He noted the proposed domestic law related with the Chemical Arms Ban Treaty stipulates no severe punishment for violations and urged a special law to clamp down on possession and production of lethal gases.

The ministers agreed with Nonaka's proposal that the National Police Agency, the Cabinet Secretariat and the Cabinet Legislation Bureau study legislation to be submitted to the current Diet session scheduled to end in June.

During a Wednesday meeting of the House of Councillors Budget Committee, Prime Minister Tomiichi Murayama reiterated his pledge to make efforts to solve Monday's subway gas attack case and prevent any similar incident in future.

Takashi Kakimi, head of the National Police Agency's Criminal Investigation Bureau, told the same Diet meeting that police will investigate whether the Monday attack is linked to last summer's two sarin poisoning cases in central Japan.

Investigators have found "similar substances" at the sites of the three incidents, Kakimi said. The two previous poisonings took place in Matsumoto, Nagano Prefecture, and the village of Kamikuishiki, Yamanashi Prefecture. Seven people died in the Matsumoto case.

No individual or group has claimed responsibility for any of the three cases.

Sarin was developed by scientists in Nazi Germany in the 1930s.

Home Minister Urges Legislation Banning Sarin

OW2203041295 Tokyo KYODO in English 0230 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The government should draft legislation banning the possession of sarin, a lethal nerve gas that killed 10 people and made more than 5,500 people ill in Monday's attack on Tokyo's subway system, Home Affairs Minister Hiromu Nonaka said Wednesday [22 March].

Nonaka, also chairman of the National Public Safety Commission that supervises police, told an informal ministerial gathering after a cabinet meeting in the morning that Japan has no law to punish people who possess sarin, or the chemicals to produce the poison, government officials said.

The ministers agreed with Nonaka's proposal that the National Police Agency, the cabinet secretariat and the cabinet legislation bureau study legislation to be submitted to the current Diet session scheduled to end in mid-June, they said.

During a Wednesday meeting of the House of Councillors Budget Committee, Prime Minister Tomiichi Murayama reiterated his pledge to make efforts to solve Monday's subway gas attack case and prevent any similar incident in the future.

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No individual or group has claimed, or been clearly assigned, responsibility in any of the three cases in which sarin, a lethal nerve gas developed by Nazi Germany in the 1930s, was used.

Diet Swiftly Enacts Fiscal Budget for 1995

OW2203091095 Tokyo KYODO in English 0744 GMT 22 Mar 95

[FBIS Transcribed Excerpt] Tokyo, March 22 KYODO—A 70.99 trillion yen state budget for fiscal 1995 starting April 1 was enacted Wednesday [22 March] with the Diet approving it in record postwar speed to swiftly bring about fiscal stimulus for restoration work in western Japan that was hit by a powerful earthquake in January. [passage omitted]

Government Fails To Agree on Extra Budget

OW2203090895 Tokyo KYODO in English 0810 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Government leaders agreed Wednesday [22 March] to expand help to smaller businesses and promote deregulation to fight the high yen but failed to agree on drafting a supplementary budget for that purpose, officials said.

Prime Minister Tomiichi Murayama, Finance Minister Masayoshi Takemura, Trade Minister Ryutaro Hashimoto, Economic Planning Chief Masahiko Komura and other leaders gathered in the afternoon and agreed to expand assistance to small and mid-sized companies hit by the yen's record-shattering surge, the officials said.

The economic cabinet ministers also agreed to redouble efforts at forming a promised package of deregulatory measures by the end of the month, they said.

But, Komura told reporters, "there was no agreement on a supplement" to the fiscal 1995 budget. Takemura had said before the meeting that he expected an extra budget to deal with the yen's rise but that the government had not yet taken any specific steps.

The cabinet-level talks on yen policy, the third such emergency consultation, followed a Tuesday yen surge that saw the dollar slide briefly to 88.35 yen, yet another postwar global low, in New York.

With fresh intervention reported from the Bank of Japan, the dollar wavered around the 89 yen line in Wednesday's Tokyo trading.

Currency market players said they were watching Wednesday's meeting for signs of concrete policy measures since previous government talks have yielded nothing solid, only adding to the dollar-dumping mood.

Officials said the cabinet members appeared to be leaning toward extending two small-business measures set to expire at the end of this month—business operation financing and emergency management assistance.

The government is also expected to take up further easing of lending conditions for smaller companies as more of the firms say their management is imperiled by the high yen, which hurts Japan's export-reliant economy, especially smaller companies.

Chief Cabinet Secretary Kozo Igarashi was to spell out the results of the meeting later in the afternoon at a news conference at the prime minister's official residence.

* Takeshita 'Plot' To Split NFP Detailed

952B0089A Tokyo SANDE MAINICHI in Japanese 8-15 Jan 95 pp 30-32

[Article by Yoshimitsu Shirokura: "Takeshita's Plot To Realize the 'Obuchi Presidency' and Split the New Frontier Party"]

[FBIS Translated Text] *The 1995 political situation will be marked by stormy elections. Ringing out the old year and stepping into the new year, politicians have already firmed up their "readiness to fight" for survival. Under these circumstances, the second act of the political restructuring drama is likely to begin with a move stemming from, surprisingly, "Mr. Takeshita's deep-seated grudge." The move means Mr. Takeshita's fight with Mr. Ozawa, that is, the "Takeshita-Ozawa war." Let us examine the scenario of the war.*

"I, too, will take action some day when I have to...."

This is what former Prime Minister Tsutomu Hata whispered into the ears of Diet members who did not join the New Frontier Party [NFP] at the Members' Office Building in Nagata-cho about 10 days after the NFP presidential election on 8 December. Upon hearing this remark, those Diet members were reportedly convinced that Mr. Hata would "leave the party."

Moreover, when Mr. Hata visited the Liberal Democratic Party [LDP] Headquarters on 20 December, together with NFP Chairman Toshiki Kaifu, to make a courtesy call following his inauguration as the party's vice chairman, he reportedly first expressed his impression that "I feel as if I have returned home." Satirizing Mr. Hata's "rift" with NFP Secretary General Ichiro Ozawa, LDP President Yohei Kono said: "Please give my best regards to Mr. Secretary General (Ozawa), your counterpart." In reply, Mr. Hata reportedly uttered pointless words, "Ah, that, that thing," which made no sense at all.

A young Diet member of the NFP makes the following remark on the recent "relations" between Mr. Hata and Mr. Ozawa: "I can understand the feelings he had when he hinted at leaving the party. The affair indicates how openly Mr. Hata is showing his anger at Mr. Ozawa. I suppose the rift between the two will never be mended again."

Concerning Mr. Hata and Mr. Ozawa, after the inauguration of the Hata faction in 1992, they kept taking the lead in restructuring the political world by maintaining such close relations that the two looked like they were running in "a three-legged race" or were "the head and tail" of a coin. However, when the Hata cabinet resigned en bloc in June 1994, Mr. Ozawa rejected Mr. Hata's request for dissolving the Diet and holding the general election, thereby leaving a residue of hard feeling between them. Again, in the recent election of the NFP chairman, Mr. Ozawa "ignored" Mr. Hata's demand that the two have a prior meeting. As a result, it became an established fact that "the party head will be former Prime Minister Kaifu and the secretary general, Mr. Ozawa." Nevertheless, Mr. Hata decided to stand as a candidate at the last moment, but he consequently suffered a crushing defeat by receiving 52 votes out of 214 votes cast.

A voice leaking from the inside of the New Frontier Party says: "Many young members of former Shinseito [the Japan Renewal Party] expressed the view that Mr. Hata would be better as party head than Mr. Kaifu who had no centripetal force. However, those on the side of Ozawa said both implicitly and explicitly that 'we are not sure how the election will turn out under his leadership.' Amid such remarks, it was hard for one to speak up and reveal one's real view" (the aforementioned Diet member of the NFP).

Speaking for "hidden supporters" of Mr. Hata, former Shinseito adviser Keiwa Okuda, who has been showing his anti-Ozawa color with clarity, makes the following remark, candidly revealing his opposing stance: "I will belong to the anti-mainstream faction from now."

As to the present factional composition within the NFP, the mainstream faction is formed by former Democratic Socialist Party [DSP] Chairman Yonezawa and former Prime Minister Hosokawa, in addition to Secretary General [Ichiro] Ozawa and former Komeito Secretary General [Yuichi] Ichikawa—known for their "Ichi-Ichi alliance." Forming the anti-mainstream faction are Mr. Hata, Mr. Okuda, former Economic Planning Agency Director General Koichiro Aino, and Diet members of middle standing who broke away from the LDP.

What weighs on our minds at this point is the recent sudden attempt by this anti-mainstream faction to make contacts with the LDP leaders. A person concerned with the LDP makes the following remark: "Mr. Okuda frequently appears at the Takeshita office and has secret contacts with Mr. Takeshita. In addition, when a meeting for encouraging Mr. Kanemaru was held in mid-December at his residence in Azabu, Mr. Okuda participated in the meeting voluntarily. He and Mr. Takeshita are said to have been highly elated in spirits by engaging in the 'criticism of Ozawa' while helping each other to wine."

The person is merely speaking from hearsay, but what he tells is quite a likely story. He says that, capitalizing on such a rift between Mr. Hata and Mr. Ozawa, the LDP is now drawing up a "scenario." The aforementioned person concerned with the LDP discloses: "Frankly speaking, the scenario seeks to split the NFP by inducing the Hata group to leave the party. The wire puller in this scenario is, of course, (former Prime Minister Noboru) Takeshita. It is said that the year 1995 in which elections are to be held one after another will see the final showdown in the 'Takeshita-Ozawa' war. Mr. Takeshita's aim is to inflict a crushing defeat on the NFP in the elections and put an end to Mr. Ozawa's political life."

Speaking of Mr. Takeshita, ever since the LDP, the Social Democratic Party of Japan [SDPJ], and Sakigake [Harbinger] established their coalition regime, the one-time "let us visit and pay homage to Takeshita" furor has revived, and floods of bureaucrats have been calling on him day in and day out. In comparison, Mr. Ozawa, who has gone into opposition, appears to be on the defense. It is reportedly Mr. Takeshita himself who is composing the scenario for crushing Ozawa. What is its concrete substance?

A veteran LDP secretary says: "First, seceders from the NFP will be put into a detached corps of the LDP. If the LDP is compared to a planet, the detached corps is its satellite, and the LDP will gradually build up such a satellite revolving round it."

The identity of the LDP's detached corps can be guessed from a move made by Koji Kakizawa, head of the former Liberal Party, who suddenly backed down from joining the NFP immediately before its formation. The move was the formation of the new party "Liberal League" [Jiyu Rengo].

On 21 December, eight persons gathered, holding up "the banner of conservatism, centrism, and democracy." In addition to Mr. Kakizawa, they included former DSP Chairman Keigo Ouchi, Shinichiro Kurimoto, and other former Shinseito members who did not join the NFP, and Torao Tokuda, an independent member of the lower house. As long as its members are concerned, it is hard to deny the impression that the party is a "medley of different strains." However, a person concerned with the Liberal League says: "For one thing, through the formation of the party, each member can get about 20 million yen from the party promotion subsidy. In addition, for those who left the LDP, including Mr. Kakizawa, the formation represents a step toward their return to the LDP."

In fact, at a press conference Mr. Kakizawa suggested a "tie-up" with the LDP, saying: "The Liberal League will not take an anti-LDP position. As to the present government as well, we would like to support its measures if we find them acceptable."

It is whispered in some of the constituencies where these eight persons will run that a "secret promise" has been made that the LDP will not put up its candidates there. Explaining another reason for the formation of the party, a source (the aforementioned person concerned with the Liberal League) says that the LDP will "use the Liberal League as a medium for receiving the Hata group."

It is not the Liberal League alone that will serve as a detached corps. To the same end, the LDP has firmed up a plan to change the name of its parliamentary group to the "Liberal Democratic Alliance" [Jiyu Minshu Rengo]. In fact, since late December, LDP leaders have frequently been meeting with Banri Umieda, representative of the "Democratic New Party Club"—which earlier sought to merge with the New Democratic Alliance [Shinminren]—to sound out the possibility of the club's joining of the LDP parliamentary group. In addition, it is said that the LDP also aims to induce future seceders from the NFP to join this parliamentary group so as to facilitate their return or accession to the party.

LDP To Win Overwhelming Victory With "Takeshita Scenario"

Then, when will the Hata group leave the party? A leading LDP member close to Mr. Takeshita confides: "Once we provides a medium for receiving them, we need not dare to play tricks regarding their seceding time. As the 'Ichi-Ichi alliance' stands out more and more, they will come aboard our ship one after another like a flow of 'refugees.' When things develop this way, the NFP will become a party comparable to something like Ozawa's study group and perish of its own accord. As Komeito gets stronger, the NFP will increasingly find it hard to win over to its side people in the conservative camp."

NFP will thus be weakened. However, this is not all that Mr. Takeshita aims to attain, according to the leading member. The member says that Mr. Takeshita is also directing his spearhead on the inside of the LDP. According to the same member, Mr. Takeshita plans to relieve LDP President Kono of his position and realize an "Obuchi presidency" by holding the general election as soon as possible before the LDP presidential election scheduled for September, thereby giving no time for Kono to prepare for his reelection as party president. This means the "rebirth" of the former Takeshita faction. Such a development means Mr. Takeshita's gallant comeback on the frontal stage.

To this end, Mr. Takeshita will have to terminate the "life" of the Murayama government by the time the fiscal 1995 budget gets approved and then bring about the Diet dissolution at a stretch. As to the timing of the general election, it will be held simultaneously with either unified local elections in spring or the upper house election in summer, according to the same member.

"Mr. Murayama is worn out mentally and physically. If he were to stay at his post any further, the SDPJ's leftist faction may expose its real nature anytime and that there is no knowing what a mess the faction will make. He will be obliged to carry out the election with the inside of his SDPJ left in a shaky state. The NFP, too, will be compelled to delay its preparation for the election further and further due to the Hata group's secession. The LDP will thus be able to win at least 300 seats including proportional representation seats. This is an overwhelming victory. The only thing left for the party to do after that is to concentrate efforts on dragging down Mr. Kono, who is unpopular within the party" (the aforementioned LDP leading member).

Then, through the "separation of the party presidency and the prime minister," LDP President Obuchi and Prime Minister Ryutaro Hashimoto will be born. Or, the

LDP will dare to install Mr. Obuchi, who is unpopular among the people, as prime minister at first and later make him turn over the post to Mr. Hashimoto as if to say that a real star has now appeared on the stage. The LDP will thus continue to maintain its one-party government. This is the "substance" of the Takeshita scenario.

For the time being, Prime Minister Murayama has not changed his prudent position about an early Diet dissolution, but a leading SDPJ member expresses the following apprehensions: "The greatest matter of concern in the 1995 political situation is the struggle between Prime Minister Murayama and Mr. Takeshita. Cajoled by Mr. Takeshita, will Mr. Murayama go into playing the cabinet's trump card—the right to dissolve the Diet—as directed and retrogress toward the LDP's one-party rule? In view of the messy conditions of the present SDPJ, however, the party does not seem to have any countermeasure..."

At any rate, there is no doubt that the 1995 political situation, including the result of the grudge-ridden Takeshita-Ozawa war, will increasingly deepen its extent of confusion. We have stepped into a new year, but do we still have to see the continuation of this kind of politics which ignores the people's sovereign power and in which only the "logic of Nagata-cho" stands out?

* Commentator Sees 'Natural Death' for SDPJ

952B0078A Kyoto VOICE in Japanese Jan 95 pp 50-51

[Article by Shigezo Hayasaka, political commentator: "'Natural Death' Will Be What We Read on the Grave Marker of the Social Democratic Party of Japan"]

[FBIS Translated Text] **Belated, Timeworn Evidence**

"We would like to open a convention for disbanding the Social Democratic Party of Japan [SDPJ] before the ordinary Diet session is convened in January next year"—this is the catchword of Wataru Kubo and Sadao Yamahana, whose faces have turned pale over the work of forming a new party for democratic liberals.

The two would like to inaugurate a new party somehow or other before the day when the plan to hold unified local elections is officially announced next spring. One of them is the SDPJ general secretary entrusted with the care of the party which is on the verge of collapse. The other is the chairman of the New Democratic League [Shinminren] within the SDPJ which, simply in terms of membership, is comprised of 41 lower house and 22 upper house members. Their blood pressures have been increasing with each passing day. They live in a tearing hurry and with a feeling of irritation. However, their clamor for a new party will die away like the light snow of spring, though I feel sorry for the two who are sincere and subjectively goodwilled.

The present SDPJ has no ability to form a clear plan to survive as a third force embracing Kubo, New Democratic League members, and pseudo leftists such as Tomiichi Murayama, Jun Oide, Tsuruo Yamaguchi, and Koken Nosaka. It fails to show a comprehensive and systematic antithesis comparable with the guideline for post-cold war national management proposed by Ichiro Ozawa in his *Blueprint for Building a New Japan* (published by Kodansha). A democratic liberal is a being comparable to a label containing no substance. It is something like a mood, fashion, or the like.

When I asked him what a liberal is, former Rengo [National Confederation of Trade Unions] Chairman Akira Yamagishi who retired on 6 October smiled wryly and said: "What is a liberal? That is a sharp question. Well, there is no choice but to think of it little by little from now." Both Kubo and Yamahana said that "we will set forth at least ideals in November," but the remark was not followed by any action.

As for center-leftist seniors who have held seats in the cabinet, they are typical of those who lack logic and have no sense of direction. When they find it impossible to form a new party between the LDP and SDPJ, they will jump on the bandwagon of democratic liberals and move the whole of the SDPJ to the latter's new party. The only choice they have is to change their party platform and wait for a natural death.

The largest sore spot for Kubo and Yamahana is the lack of a symbolic leader for a new party. With the passage of the redistricting bill for a small constituency system coupled with proportional representation, a situation has developed in which dissolution of the lower house followed by the general election can take place any time next year. Pivotal forces dividing Japan's political arena are two factions—radical reformists and moderate renovators. It is hard to build a third force.

A decisive factor in winning a political showdown is the character of the party's leader. Whether or not a party has the kind of leader who can thrill voters with expectations holds the key to the party's survival. However, there is some indication that Takahiro Yokomichi has generally been decided on as the head of the new party for democratic liberals. However, Yokomichi is something like an anachronism which serves no purpose.

Morihiro Hosokawa, at any rate, ventured to jump into the sea at dark night, taking a disorderly crowd along with him. He thus ended the Liberal Democratic Party [LDP]'s one-party rule. I still rate highly his decisiveness and action and his sharp political sense enabling him to grasp the tide of the times.

On the other hand, Yokomichi essentially seems to be carrying a more lordly air than Hosokawa in the eyes of the general populace. He must be inheriting the blood of Eitaro Noro who was slaughtered as a young leader of the Japan Communist Party in the prewar era; however, he shows no I-will-not-be-deterred-even-if-my-foes-are-legion spirit at all.

He is the type of person who confirms full preparations and arrangements already made by people surrounding him and then ride into the bandwagon, urging the mass media to blow a bugle to sound the welcome. He is not as steady as Hosokawa.

The LDP, a huge amoeba, which does not care about its appearance or reputation for the sake of its survival. The new political force of Ichiro Ozawa, who fights it out to beat his rival even if the fighting means stabbing each other. Sandwiched between these two, Yokomichi will find that he is not competent enough as a leader to grope for a third road. He does not have Machiavellism which makes him wiser than the snake and slyer than the fox. His impact as a leader is weak.

"It Is Impossible To Fight With SDPJ Platform"

Kubo, the commander-in-chief of the leftist faction, is an intellectual who graduated from the College of Liberal Arts and Sciences of Hiroshima University. He has a sincere personality and enjoys a high reputation, and the footprints he left while devoting to the difficult party management deserves admiration. Recalling the past, Masashi Ishibashi once said that "one who served out as general secretary of the SDPJ can carry out whatever jobs in the world." However, Kubo's fatal weakness is his being an upper house member.

New Democratic League Chairman Sadao Yamahana played a leading role in toppling the LDP's one-party rule and giving birth to the Hosokawa coalition government. At the same time, he was also an SDPJ chairman responsible for the reduction by half of the party's lower house strength. So his image is not good. Installing a scholar and sympathizer as the party head is like inserting a mere tradesman's puff in the paper. The new party-to-be thus cannot find its leading actor who can be its only claim to fame.

The third Achilles' heel of the new party-to-be is the fragility of its organizational foundation. Seven separate industrial federations under Rengo are poised to support the formation of the new party. They are: the Japan Telecommunications Workers' Union; the Japan Postal Workers' Union; the All Japan Federation of Electric Machine Workers' Unions; the Confederation of Japan Automobile Workers' Unions; the Japanese Federation of Textile, Garment, Chemical, Mercantile, and Allied Industry Workers' Unions; the Federation of Electric Workers' Unions of Japan; and the Japanese Federation of Iron and Steel Workers' Unions. However, once you peep into their internal conditions you will easily find that they are not holding together at all. The era has ended when union members move in neat order as directed by the center.

The All Japan Prefectural and Municipal Workers' Union is the largest union supporting the SDPJ with its members numbering 1 million. With unified local elections scheduled to be held next year, the party headquarters in Miyakezaka is flooded with screams and requests by the more than 500 union-affiliated local assembly members who say: "We cannot fight with the SDPJ platform. Make a new party, please." They cannot move an inch under the present situation.

Kubo and Yamahana are bearing a cross in the face of contradictory options with regard to their party's identity. If the new party is realized, the Murayama government's power base will collapse. If the party stays as it is, there will be no promising future prospects. If it takes excessive moves, the leftist faction will oppose them and throw its arms tightly around the party's neck. In my mind, I now vaguely see a grave marker carrying the words, Natural Death.

NTT President Argues Against Split

OW2203082795 Tokyo KYODO in English 0758 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The president of Nippon Telegraph and Telephone Corp. (NTT) said Wednesday [22 March] the decision of whether or not to divide NTT into smaller entities should be discussed from a broader point of views, including what to do about Japan's telecom policy toward the multimedia era.

Masashi Kojima told a news conference, "The situation surrounding Japan's telecom industry has totally changed from five years ago when we had only to discuss the matter by taking into account telephone sectors and domestic competition."

He said wireless telecom services, cable televisions and facsimile services are rapidly replacing traditional telephone services.

"The future of Japan's multimedia services is closely related to the form in which NTT will be operated," Kojima said. "Now, we need a new philosophy on Japan's telecom networking policy in line with the new business environments."

Kojima's remarks are apparently designed to check argument that NTT, Japan's virtual telecommunications monopoly, should be divided as a way to improve telecom services in Japan.

Behind the argument is the concept splitting NTT would spur competition, thus lowering overall prices for telecom services in Japan.

Kojima said the U.S. experiment on liberalizing its telecom industry through the division of AT&T Corp. into seven regional bells has not been so successful as believed.

"The division infused vitality into the U.S. computer telecommunications sector but the telephone sector has not been so," he explained.

Kojima said NTT will clarify its view on Japan's multimedia policy by the end of April.

A recent news report said the posts minister will ask his advisory body to study the possibility of dividing NTT.

The Telecommunications Council will be convened in April to discuss various telecom issues.

"Dividing NTT would be equal to the repeal of the NTT Law that requires parliamentary approval. So this issue should be taken up in an open and broader manner," Kojima said, apparently reflecting his fear that the issue will be determined by the advisory organ alone.

Five years ago, the Posts and Telecommunications Ministry proposed NTT be divided into one long-distance operator and several regional companies for intracity services.

But the ministry finally dropped the idea due to stiff opposition from NTT and the Finance Ministry which was concerned about the action's possible negative impact on the stock market.

Wednesday's remarks by Kojima apparently reflect his view that NTT should not change its current organizational form because its role in the multimedia era is expected to get bigger.

"Those who propose the change have a burden of proof that such an action is indispensable for Japan's telecom sector," Kojima said.

On access charges imposed by NTT on personal handyphone (PHS) operators, Kojima said NTT is making every effort to lower the rates.

Kojima was commenting on criticism that NTT is charging higher-than-needed rates on operators of the new services, expected to begin in July.

The president acknowledged there is "a great gap" between prices of PHS facilities provided by NTT and those sought by PHS operators.

"The rates have dropped substantially from the original plan and we are still doing our utmost to further lower them," Kojima said.

Connection by PHS operators, including NTT group companies, to NTT's integrated services digital network is indispensable for starting PHS services, which would have similar functions with a cellular phone but cost far less.

Merge of OECF, Export-Import Bank Criticized

OW2203005595 Tokyo MAINICHI SHIMBUN in Japanese 16 Mar 95 Morning Edition p 5

[Editorial: "The Cost of Dismissing a President"]

[FBIS Translated Text] The government and ruling parties have reached a conclusion on how to resolve the issue of reviewing government-invested financial institutions. The conclusion is that the Export-Import Bank of Japan [Ex-Im Bank] and Overseas Economic Cooperation Fund [OECF] will be merged in four years.

The conclusion cannot be taken as a final decision by the government and ruling parties, which have spent a long time examining ways to settle the issue of reviewing government-invested financial institutions, a focal point of the issue of streamlining special public corporations. Their conclusion is a stupid step.

Finance Minister Masayoshi Takemura and Economic Planning Agency Director General Masahiko Komura, who are in charge of reviewing government-invested financial institutions, have played up the positive aspects of the conclusion, saying: "The post of one president will be eliminated." The comments have gone too far to be taken as a joke.

It is Finance Minister Takemura, concurrently representative of Sakigake [Harbinger], who has termed the streamlining of special public corporations a centerpiece of administrative reform.

The finance minister unhesitatingly said that fiscal revenue shortfalls would be met by fiscal savings generated from the promotion of administrative reform when the government decided it would raise the rate of consumption tax to 5 percent. We have believed from the beginning that streamlining special public corporations alone would not generate a large amount of financial resources.

Despite our belief, we have urged the finance minister to take a firm and undaunted attitude toward tackling this intractable issue.

We call the conclusion a stupid step. First of all, the conclusion is expected to generate virtually no economic effects. The integration of the Ex-Im Bank and OECF will generate more losses than gains. As the finance minister and Economic Planning Agency director general have pointed out: "The post of one president will certainly be eliminated." The elimination of a presidential post does not warrant their playing up the positive aspects of the conclusion.

Although the post of one president will be eliminated, the conclusion has a wealth of negative aspects. The Ex-Im Bank was in charge of handling Official Development Assistance (ODA) before the OECF took over the job.

The government split export financing and ODA in 1975 in the face of growing international criticism that the Japanese aid policy could be used as a means to promote Japan's exports if the Ex-Im Bank handled both export financing and ODA. It was a matter of course to split them because it is "unfair" to use aid as a means to do business.

Fully aware of past history, the government has decided to integrate the Ex-Im Bank and OECF. Finance Minister Takemura remarked: "The government will deal with anticipated international criticism by making a distinction between ODA and export financing."

An agreement reached between the government and ruling parties says: "The government will work to win understanding from the Organization for Economic Cooperation and Development (OECD) and nations concerned before the Ex-Im Bank and OECF are merged in four years."

How long and how much should the government spend on correcting an international misunderstanding in order to remove the post of a president? We would like to urge officials in the government and ruling parties in charge of this integration to examine its cost effectiveness. They will learn anew that the effect this merger will generate is minuscule compared with the time and cost the government will spend on correcting international misunderstanding.

It is desirable for them to scrap their conclusion immediately after they learn this fact.

There is a strange thing: The Japan Development Bank, small- and medium-sized financial institutions, and local financial institutions, which were originally mentioned as candidates for the streamlining and integration, have been excluded from the discussion on ways to review government-invested financial institutions.

Meanwhile, some people are even arguing for the break up of the Ex-Im Bank.

It has been said the Japan Development Bank enjoys the backing of zoku Dietmen while the Ex-Im Bank is being made a scapegoat because it does not have zoku Dietmen's backing. This would be a serious issue if it were true.

We would like to propose the Murayama cabinet continue and promote the review of special public corporations in order to show its firm stance on administrative reform. It is also important for the cabinet to study how financial investment and loans should be and to review the finance policy.

North Korea

ROK Warned Against Kurop Dump Construction

SK2203050295 Pyongyang KCNA in English 0450 GMT 22 Mar 95

["S. Korean Puppets Urged To Stop Attempts To Build Nuclear Waste Dump in Kurop Islet"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—The spokesman for the puppet unification board of South Korea in a "statement" March 20 claimed that the planned nuclear waste dump in Kurop Islet is a "facility for storing radioactive waste on a safe basis", a Seoul-based radio reported.

This is nothing but a crafty ruse to calm down the public voices expressing apprehensions over the danger of the nuclear waste dump in Kurop Islet.

In view of the location, Kurop Islet is the most dangerous place which may cause an accident. It has a geological condition of serious faults and cracks and belongs to an earthquake sphere. It is also a place which may be attacked by typhoons and tidal waves in light of the hydrometeorological features. As seen above, the islet is a place exposed to potential accidents.

If radioactive materials containing ashes of death leak out from a nuclear waste dump in Kurop Islet near the North side, it will inevitably inflict irrevocable disasters upon neighbouring nations as well as the Korean people.

The South Korean puppets designated the place near the North side as the venue of dumping dangerous radioactive waste and are now trying to start its construction. This is as good as laying a "nuclear timebomb" beneath the chin of the North side. Accordingly, it is tantamount to an open declaration of an atomic war against the north.

The puppets hurled slanders at the north, saying that "there is no reason for the North to criticize the project" and "the North makes menacing remarks". This reminds one of a thief crying "stop thief".

If the South Korean puppets finally build a nuclear waste dump in Kurop islet in defiance of our warnings, they will be held responsible for ensuing catastrophic consequences.

The Kim Yong-sam group must immediately stop the nuclear waste dump project which will inflict disasters upon the nation.

Joint Struggle Proposed To Stop Nuclear Dump

SK2203110195 Pyongyang KCNA in English 1049 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—The Korean Anti-Nuke Peace Committee, the Korean Anti-Nuke Peace Doctors Association, the Korean Anti-Nuke Peace Association of A-Bomb Victims and the Korean Environmental Conservation Union on March 22 sent a letter to the "Headquarters of National Anti-Nuke Movement for Nuclear Free Society", the "Alliance of Environmental Movement" and other anti-nuke and environmental organisations of South Korea, proposing to consult measures for joint struggle to stop the South Korean authorities from building a nuclear waste dump in Kurop islet.

Drawing attention to the fact that Kurop Islet is located very near to densely-populated areas and it is not fit for a nuclear waste dump in view of geological, geographical and hydrometeorological features, the letter says:

Kurop Islet is in the Kanghwa Bay. Accordingly, if radioactivity leaks out from the nuclear waste stored there, Kaesong, Haeju, Ongjin, Kangyong, Yonan and other areas of the North side as well as Inchon and Seoul will directly suffer irrevocable damages by sea wind, currents, birds and fish.

Therefore, the question of building a nuclear waste dump in Kurop Islet is a very serious one concerning the vital interests common to the North and the South and the existence of the nation and the future of posterity.

The letter expresses the belief that the anti-nuke and environmental organisations of South Korea will show an affirmative response to the initiative of the North side.

It is desirable to appoint a place convenient to both sides as a venue of consultation, any place proposed by the South side is acceptable and it will be good to set the date of contact as early as possible, the letter stresses.

Introduction of Weapons Into DMZ Denounced

SK2203113895 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 19 Mar 95

[FBIS Translated Text] According to a military source, the South Korean puppets have continuously staged provocations against us inside the southern part of the Demilitarized Zone [DMZ] along the Military Demarcation Line [MDL] recently.

Around 0940 on 14 March, 1015 on 17 March, and 0815 on 18 March, the puppets introduced 12.7mm large-caliber machine guns at a military police guard post in the vicinity of the South side of the MDL military marker No.0370 in Samnyong-ri in Chorwon County, installing them before civil police posts on our side.

On 13, 16, and 18 March, hundreds of heavily-armed puppet soldiers, with Jeeps in the lead armed with machine guns, swarmed around MDL military markers Nos. 0807 and 0730 in Yonghyon-ri and Kumdong-ri in Kimhwa County south of the DMZ, and at MDL military marker No. 0180 in Sasu-ri in Changpung County south of the DMZ.

Around 0830 on 18 March, armed bandits of the puppet Army, who were mobilized around MDL military marker No. 0588 in Chawon-ri in Pyonggang County south of the DMZ, created an uproar by setting off tens of explosives.

Around 1437 on 16 March, the puppets brought some 100 armed bandits into a guard post at MDL military marker No. 0185 in Sasu-ri in Changpung County south of the DMZ. On the same night, the puppets ran amok in a war of northward aggression, mobilizing the bandits at the guard post and firing signal and light bombs.

In another development, some 30 military vehicles fully loaded with armed bandits and war equipment were brought into MDL military marker No. 0530 in Koman-ri in Chorwon County south of the DMZ around 1430 on 15 March, and at MDL military marker No.0068 in Panmunjom-ri in Panmun County south of the DMZ around 2245 on 16 March.

At MDL military marker No. 0303 in Saha-ri in Changpung County south of the DMZ around 1420 on 17 March, and at No. 0589 MDL military sign in Chawon-ri in Pyonggang County south of the DMZ around 0850 on 18 March, puppet officers thronged into these areas on military vehicles and conspired in the operation of a northward invasion by unfolding a military operation map.

These are premeditated and deliberate military provocations by the South Korean puppets to render the situation in the DMZ strained.

ROK Religious Circles Seek Reunification

SK2203103795 Pyongyang KCNA in English 1012 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—South Korean religious circles are conducting a powerful movement for national reunification, according to a report.

The Seoul Parish of Roman Catholicism recently formed a committee for national reconciliation with a view to intensifying the reunification movement and set every Tuesday as the day of national reconciliation to arrange divine services and other activities for reunification.

The parish is pushing ahead with preparations to set up a school for national reconciliation in Seoul and intensify education for reunification around August 15.

The Buddhist circle, too, is conducting such activities for national reunification and reconciliation as a prayer meeting for peaceful reunification and a meeting for debating on ways for accelerating the meeting of fellow countrymen in the North and the South.

'Removal' of Dwelling Houses in Seoul Reported

SK2203104595 Pyongyang KCNA in English 1010 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Evictees in Haengdang-tong No.2, Songdong District, Seoul, and students under the "Seoul Federation of General Student Councils", more than 1,000 in all, held a rally at Hanyang University on March 18 protesting against the forcible removal of dwelling houses, according to a radio report from Seoul.

The participants denounced the puppet clique for driving the inhabitants outdoors by removing houses at random without any measures and demanded that it take steps for living conditions of the inhabitants.

At the end of the rally, students thronged to the puppet Seoul City Hall and staged a demonstration demanding the apology of the mayor of Seoul and dismissal of the chief of the Songdong District Office as regards the violent removal.

ROK Opposition Lawmaker Comments on Japan Cited

SK2103050195 Pyongyang KCNA in English 0432 GMT 21 Mar 95

["'Dissolution of South Korea-Japan Parliamentary League' Urged in S. Korea"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA)—Kim Won-ung, an opposition Democratic [Party] "assemblyman" of South Korea, reportedly demanded the dissolution of the "South Korea-Japan Parliamentary League" at the "National Assembly" session on March 18.

Drawing attention to the fact that 76 percent of the members of the Houses of Representatives and Councillors of Japan who signed their names against a resolution on apologizing for the Japanese imperialist war of aggression and on banning Japan from engaging itself in any war were pro-South Korean Dietmen of the "Japan-South Korea Dietmen's League", he contended that relations with them, who bear in mind the period of the Japanese imperialist occupation of Korea and the colonial rule over it, could not be maintained.

He urged that brakes should be put on the movements intended to extricate Japan from the list of the "enemy states " of the UN Charter and on the attempts of Japan to become a permanent member of the United Nations Security Council.

ROK Criticized for 'Opening' to Japan's Culture

SK2203052395 Pyongyang KCNA in English 0503 GMT 22 Mar 95

["Kim Yong-sam Group's Moves To Obliterate National Culture Under Fire"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Papers here today denounce the Kim Yong-sam group for facilitating the infiltration of Japan's reactionary culture into South Korea with the clamouring about "necessity of opening" and "total opening" to Japan's "popular culture."

NODONG SINMUN views the Kim Yong-sam group's opening to the Japanese reactionary culture as a move to obliterate the national culture and a heinous pro-Japanese sycophantic felony.

The analyst says:

The Kim Yong-sam group is, covertly and overtly, allowing the import of the Japanese reactionary culture. So, Japan's decadent culture finds its way into South Korea.

Corruption and immorality, irregularities and disorder prevalent in all aspects of the South Korean society are attributable, in the main, to the puppets' indiscriminate introduction of foreign reactionary culture.

The Kim Yong-sam group is working hard to fling the door wide open for the Japanese reactionary culture, not saying what it should say to Japan. This is an act defending Japan's past crimes and a grave insult to the anti-Japanese sentiments of the Korean nation.

The cultural opening of the South Korean puppets is as good as providing a springboard for staging a comeback to Korea to the Japanese reactionaries who are trying to realise their old dream of "Greater East Asia Co-Prosperity Sphere."

The Kim Yong-sam group's frantic move for opening to the Japanese reactionary culture is motivated by its pro-Japanese, traitorous nature.

A MINJU CHOSON analyst charges that the introduction of the Japanese reactionary culture by the Kim Yong-sam group under the signboard of "globalisation" is a criminal act to obliterate South Korea's national culture poisoned by the Yankee culture with the help of decadent Japanese culture.

With this group of traitors left alone in the nation, we cannot destroy the attempts of the Japanese reactionaries to stage a comeback to Korea nor defend the dignity of the nation.

Japan Rocket Launch, 'Grave Threat' Noted

SK2203051995 Pyongyang KCNA in English 0457 GMT 22 Mar 95

["Green Light for Stepping Up Nuclear Armament"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Japan recently launched a space rocket "H-2", according to a report from Tokyo.

This is a green light to step up the conversion of Japan into a military power and her nuclear armament and a grave threat to peace and security in Asia.

Japan argues that it serves for an "international commercial satellite." But this is no more than a camouflage to conceal her military purpose to open a road for possessing strategic nuclear missiles. It is an open secret that Japan, possessed of electronic detonator and other elements and techniques for manufacturing nuclear bombs, has laid material foundations to make nuclear weapons at any time and stockpiled a large amount of plutonium needed for nuclear weapons.

What is to be solved by Japan in realizing her ambition to have nuclear weapons in full swing is to have means of delivery of nuclear warheads. For this, Japan launched the rocket "H-2".

As public opinion appreciates correctly, there is no guarantee that this rocket would not be turned into a long-distance missile".

Japan is sharply grinding nuclear teeth, motivated by the wild ambition to dominate Asia.

Japan must give up a foolish nuclear design.

Japan's 'Reactionary' Stance on WWII Condemned

SK2203103195 Pyongyang KCNA in English 1025 GMT 22 Mar 95

["Why Do They Oppose Adoption of 'Resolution on Banning Japan's Engagement in War'?"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Though fifty years have passed since the defeat of Japan, the reactionary Japanese ruling quarters are opposed to the adoption of a "resolution on apology" and a "resolution on banning Japan from engaging itself in a war" at the Diet.

Commenting on this, an analyst of NODONG SINMUN today says:

This is an open challenge to the conscience of humankind and well shows the militaristic stand of the Japanese reactionaries to negate Japan's past crimes, evade its responsibility for them and repeat the blood-stained history of aggression and war.

Such reactionary groups as "Dietmen's Union on the 50th Anniversary of the End of the Pacific War" and "Dietmen's League Informing Correct History" are playing a leading role in stubbornly opposing the adoption of the resolutions on official apology for Japan's past crimes and banning Japan's engagement in war.

They argue that resolutions of the Diet on repentance and on banning Japan's engagement in war are intolerable because they mean allowing the recognition of the history distorted after the ceasefire and will bring misfortunes to the future of Japan.

They also claim that Japan has nothing to apologize for because it had never committed "wrongdoings" and took "righteous actions" to "liberate" Asia from someone and ensure "independence and prosperity" of the Asian nations.

This is a sheer fabrication of history and the height of shamelessness.

Japan's acts of aggression and war against Korea and other Asian nations are irrefutable historical facts the criminal nature of which has been fully confirmed by international law.

Defying these stark facts, the Japanese reactionaries are claiming that "apology will produce a new compensation" and "will sow seeds of misfortunes over the future of Japan". This is a ruse to build public opinion opposing the liquidation of the past.

The Japanese reactionaries intend to take the road of reinvasion, oblivious of the bitter lesson that the Japanese imperialists were defeated while committing aggression and war.

Arrogantly enough, they intend to dominate Asia and the world with strength.

They would be well advised to look straight at the reality and act with reason.

Japanese Remarks on WWII Aggression Denounced

SK2103101295 Pyongyang KCNA in English 1003 GMT 21 Mar 95

[FBIS Transcribed Text] Pyongyang, March 21 (KCNA)—Seisuke Okuno, chairman of the "Dietmen's Union on the 50th Anniversary of the End of the Pacific War" of the Japan Liberal-Democratic Party, reportedly told a press conference March 16 that "it was the United States and Britain that fought an aggressive war" and that "Japan did not fight against other Asian countries."

His remarks denying the history of Japan's aggression anger the Korean people and the peoples of other Asian countries who were direct victims of the overseas aggression of Japanese imperialism in the past.

The Japanese imperialists invaded the Asian continent and killed guiltless people, crying out for "Greater East Asia Coprosperity Sphere." Their war crimes remain indelible records in history.

Nevertheless, Okuno had the cheek to assert that "Japan did not fight against other Asian countries." This eloquently shows that the criminal intention of the Japanese reactionaries to justify the history of aggression of Japanese imperialism and revive militarism remains unchanged.

The fact clearly proves that Japan is trying overtly and covertly to realise its old dream of "Greater East Asia Coprosperity Sphere."

Although Japan pays lip service to "reflection on the past" it is a trick to deceive public opinion and appease people at home and abroad.

If Japan acts in the same mode of thinking as half a century ago, forgetful of the serious lesson of history, it will end in self-destruction.

Glorification of Japan's 'Criminal' Past Assailed

SK2203045695 Pyongyang Korean Central Broadcasting Network in Korean 1225 GMT 21 Mar 95

[Commentary: "Only Destruction Will Be Doled Out"]

[FBIS Translated Text] One Japanese reactionary after another has made remarks glorifying and justifying the Japanese imperialists' criminal aggression. According to reports, Seisuke Okuno, chairman of the Japanese Dietmen's Union on the 50th Anniversary of the End of the [Pacific] war, has said Japan did not wage a war of aggression against Asia, but rather fought against the United States and Britain. (Sanae Takaichi), a female Japanese Diet member, said she has no reason to apologize because she is not of the wartime generation. This clearly shows how shameless and aggressive the Japanese militarists have become.

This year marks the 50th anniversary of Japan's defeat in the war. In connection with this, people of Asia and the world demand that Japan clearly liquidate the legacy of its past crimes and make a fresh start.

At such a time, they have glorified the war of aggression and openly opposed the liquidation of Japan's past. This is a challenge to and a mockery of the peace-loving people of the world.

History long ago meted out stern judgment to the Japanese imperialists' criminal aggression. The Japanese imperialists illegally occupied Korea and imposed colonial rule for over 40 years and invaded other Asian countries under the pretext of peace in the Orient, thus, committing indelible and grave crimes. This is a stark fact that no one can deny.

Nevertheless, the Japanese reactionaries have cunningly maneuvered to turn their history of aggression upside down. Some Japanese cabinet ministers recklessly glorified the war of aggression in the past, and prefectural assemblies have recently adopted resolutions affirming the war of aggression. The Japanese reactionaries are resolutely opposed to the Diet's adoption of a no-war resolution.

These maneuvers by the Japanese reactionaries are not accidental; This shows that the Japanese reactionaries are trying to follow in the footsteps of Japanese samurai, who were ruined after running wild with swords. Toward that end, the Japanese reactionaries are frantically accelerating their efforts to become a military power and a nuclear power and deploying forces of aggression overseas under the pretext of UN peacekeeping operations. They are also trying to become a permanent member of the UN Security Council and pose as a political power and thus, justify their maneuvers for re-aggression.

Meantime, at home, they are trying to create public opinion affirming the war of aggression and opposing the liquidation of the past. In so doing they are pursuing ideological mobilization for the sake of re-aggression.

The remarks by Okuno and (Takaichi) represented the Japanese militarists' ulterior motive of making Japan a political power and a military power and fulfilling their ambition for re-aggression.

By virtue of international law and morality, it is natural that the current Japanese authorities take responsibility for and liquidate the crimes that Japan committed in the past. Other countries that committed war crimes have admitted and have made or are making compensation or reparations for crimes committed by previous governments. Nevertheless, only the Japanese reactionaries say they will neither admit nor apologize for their past crimes.

Their militarist ambition has not changed, and their way of thinking is no different from that of samurai.

Japanese imperialism has become extremely dangerous. The Japanese imperialists suffered an extremely bitter defeat after embarking on the road of aggression. If they forget the lesson of that defeat and embark on the road to re-aggression, only destruction will be meted out to Japan. The Japanese reactionaries had better stop committing acts of self-destruction and act with discretion.

50th Anniversary of League of Arab States Marked

SK2203111295 Pyongyang KCNA in English 1044 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Papers here today dedicate articles to the 50th anniversary of the foundation of the league of Arab states.

NODONG SINMUN says in a by-lined article:

The League of Arab States has consistently made efforts to check aggression and interference of the imperialists and achieve peace, progress and development with united strength of the Arab countries over the past five decades.

The league which set durable peace in the Middle East as its main task is fully supporting the just demands of Palestine, Syria and Lebanon to retake their territories from Israel.

The league is striving to make the Middle East a zone free from mass destruction weapons. In particular, it opposes Israel's nuclear armament and urges Israel to join the non-proliferation treaty.

It is waging an energetic activity of reconciliation to make 1995 a year of unity and cohesion of the Arab nations.

Its activity is supported by the Arab people as it conforms with their desire to build a new peaceful and independent world.

The Korean people wish the league success in its work to achieve lasting peace in the Arab area and common prosperity with its united efforts.

'Day of Pakistan' Marked With Meeting 22 Mar

SK2203053595 Pyongyang KCNA in English 0445 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—A meeting was held here on Tuesday on the day of Pakistan.

Speaking at the meeting, Chong Ha-chol, chairman of the DPRK Radio and Television Broadcasting Committee and chairman of the Korea-Pakistan Friendship Association, said that the Pakistani people achieved the independence of the country through a powerful struggle against the colonial rule of the imperialists and for freedom and liberation.

The friendly relations between the two countries have been developed onto a new higher stage through a historical meeting between the great leader Comrade Kim Il-song and her excellency esteemed Prime Minister Benazir Bhutto in Pyongyang in December 1993, he noted, adding: The Korean people will in the future, too, make all efforts to further develop the friendly and cooperative relations with the Pakistani people in the idea of independence, peace and friendship.

Pakistani Ambassador to Korea Rehm Il Bhatti said that the relations between Pakistan and Korea were forged by Prime Minister Zulfiqar Ali Bhutto and President Kim Il-song.

These relations are continuously developing in mutual interests according to the desire and hope of Prime Minister Benazir Bhutto and His Excellency Kim Chong-il, the great leader of the Korean people, he added.

He expressed the belief that the Korean people will reunify their country in the 90s without interference of outside forces under the wise guidance of the great leader Comrade Kim Chong-il.

Congratulatory messages to the president and the prime minister of Pakistan were adopted at the meeting.

Kang Sends Telegram to Pakistani Prime Minister

SK2203111895 Pyongyang KCNA in English 1051 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Premier of the Administration Council Kang Song-san sent a telegram of greetings to Prime Minister Benazir Bhutto on the day of Pakistan.

Expressing the belief that the relations of friendship and cooperation between the two countries that are developing favourably will further strengthen and develop in the future, the telegram sincerely wished her greater success in her responsible work.

ROK Desire To Build Kim Chong-il Statue Noted

SK2203101495 Pyongyang KCNA in English 1007 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Voices of praising the great leader Comrade Kim Chong-il are ringing out more loudly from among South Korean people from all walks of life, according to radio Voice of National Salvation from Seoul.

A certain Kim, a Buddhist belonging to the Chogye Order in Seoul, told his fellow Buddhists who understand each other on February 16 that General Kim Chong-il is a great sage who makes the people enjoy eternal happiness and immortality.

"The birthplace of General Kim Chong-il is Mt. Paektu. The senior believers in Buddhism had foreseen Mt. Paektu, an ancestral mountain, as the birthplace of a sage who will lead this country. General Kim Chong-il, the sage, was born on Mt. Paektu, a famous mountain," he said, adding: "The Buddhists can achieve their earnest wish only when they uphold General Kim Chong-il who has performed immortal feats for the nation and humankind. We must build a bronze statue of General Kim Chong-il, the great sage, on Mt. Paektu, a holy mountain, and remain true to his intention, making a pilgrimage to Mt. Paektu."

A Professor Yi said at a weekly discussion under the title "Personality of Leader Kim Chong-il" organized by members of a ideology circle of the Fishery College in Pusan:

"The nation's prosperity depends on the greatness of its leader. If one does not know the leader Kim Chong-il, the sun of the nation, the sun of humankind, that is rising brightly in the new world of independence, in the dawning sky of independence, and does not know the immortal chuche idea which he is developing and enriching, one cannot be said to be a true intellectual and a true man no matter what great university he graduated from.

"If one is a conscientious student who loves justice and truth and has the mind to lead a righteous life, one must follow the leader Kim Chong-il to the end, with the pride of having him at the head of the nation."

An inhabitant Chae Pyong-yol residing in Cheju Island told villagers:

"General Kim Chong-il is, indeed, a true faithful servant of the people, who is devoting his all to their interests. Indeed, any statesman in the world can not match the general in virtues.

"It is the greatest pride and highest honour for our nation to have such a great and outstanding statesman as General Kim Chong-il.

Russian Book 'Lodestar' Praises Kim Chong-il

SK2203050895 Pyongyang KCNA in English 0434 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Book "Lodestar" written by Aleksei Chichkin, a political analyst of the Russian paper ALKODS, in praise of the greatness of the great leader Comrade Kim Chong-il was off the press on the occasion of his birthday.

Printed in the book is a portrait of Comrade Kim Chong-il.

The book is composed of "Lodestar," "Dear Comrade Kim Chong-il," "Comrade Kim Chong-il, Leader of the Korean and World Revolutionary Movement and Liberation Movement," "Outstanding Brilliant Commander, Statesman", "The Chuche Idea and Its Application, Foundations of Party and State," "Historical Significance of the Great Doctrine on the Leader of the Party, the State and the Nation and Revisionists' Distortion of It," "Comrade Kim Chong-il, Activist Who Has Devoted His Tireless Efforts to the Struggle To Combine the Theory of Chuche With Practice," "Doctrine of Comrade Kim Chong-il on Successor to the Leader and Continuity of the Revolutionary Cause," "Historical

Feats of Comrade Kim Chong-il in Applying and Developing in Depth the Chuche Idea," "World People Hold Comrade Kim Chong-il in Esteem as the Outstanding Leader of the Present Era" and an Epilogue.

The author said that the revolutionary history of Dear Comrade Kim Chong-il is unthinkable apart from the history of socialist Korea and the Workers' Party of Korea built by the fatherly leader Comrade Kim Il-song and that he presents the book published on the birthday of Comrade Kim Chong-il to him and to the heroic Korean people and the revolutionary Workers' Party of Korea.

The world people are now holding Comrade Kim Chong-il, who has performed immortal exploits in the struggle for the victory of the Korean revolution and the cause of socialism in the world, in high esteem as the outstanding leader of the present era, he said, and stressed: "We will greet the 21st century before long. It is Comrade Kim Chong-il, the great man, who will lead the world people in the new century."

KPA Officers Pledge Loyalty to Kim Chong-il

SK2203044795 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 20 Mar 95

[FBIS Translated Text] Commanding members of the Korean People's Army [KPA] companies participated in the meeting of the KPA company commanders and company political instructors in the presence of the respected and beloved Supreme Commander General Kim Chong-il, whom they dream about running to, for an embrace. Bearing the utmost honor and happiness, they are expressing the firm resolution to defend the great general with their lives and uphold the party's cause with force of arms.

Company commanders and company political instructors who participated in the meeting from the KPA unit to which Comrade Chong Tal-pom belongs, said:

[Begin recording] [Chong Chol-won] I am KPA Officer Chong Chol-won. After attending the meeting of the KPA company commanders and company political instructors, which was held extravagantly in Pyongyang, the capital of revolution, I have the great honor and pride of upholding the KPA Supreme Commander General Kim Chong-il. Our Supreme Commander General Kim Chong-il personally attended the meeting, took a commemorative photograph with us, and watched the performance of the KPA Song and Dance Ensemble and artists with us. There are many countries and armies in the world, but there is indeed no army like the KPA, which is filled with honor and love and which upholds the great leader [yongdoja] General Kim Chong-il as the KPA supreme commander and defends our fatherland and country.

[An Che-san] Yes. I am KPA Officer An Che-san. We company commanders and company political instructors feel that we possess the (?entire world). The KPA Supreme Commander General Kim Chong-il gave endless love and trust to us KPA company commanders. In the first morning of the new year, when we let 1994 pass in bloody tears, our Supreme Commander Comrade Kim Chong-il visited our snow-covered outpost and carefully inspected every aspect of our life and gave us ardent benevolence. The Supreme Commander Comrade Kim Chong-il visited a women's unit on a windy day and extended the fatherly leader's [suryong] benevolent love. Then, he visited a Navy unit and had the soldiers prepare themselves as one-a-match-for-a-hundred warriors. Every trace of our Supreme Commander Comrade Kim Chong-il reveals his love to us. He again attended the meeting of the KPA company commanders and company political instructors, took a commemorative photograph with us, and watched a performance with us. Words can not describe the honor and happiness of the KPA fighters.

[Yu Kwang-hyok] I am KPA Officer Yu Kwang-hyok. He [Kim Chong-il] watched the performance by the KPA Song and Dance Ensemble and artists with the participants of the meeting of the KPA company commanders and company political instructors. When he raised his hand high to the performers to congratulate the successful performance and warmly answered the enthusiastic cheering of the KPA officers and men, our hearts almost burst. There are many countries and armies in the world, but there is no army happier and more honored than the KPA officers and men. We KPA officers and men pledge that we will become bullets and guns defending him with our lives at the very fore as the fighters of the Supreme Commander General Kim Chong-il even if the sky falls and the earth disappears. [end recording]

Kim Chong-il Sends Thanks to Ensemble Producers

SK2203021195 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 21 Mar 95

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], who is the great leader [yongdoja] of our party and our people, has sent thanks to producers and artistes of the KPA Song and Dance Ensemble, which, befitting a revolutionary and combatant artistic unit, gave an excellent performance of famous pieces of music under the title "Song of Hearts Following the General"

A meeting was held on 21 March at the 8 February House of Culture to deliver KPA Supreme Commander Comrade Kim Chong-il's thanks. Colonel General Pak Chae-kyong and other pertinent officials and producers and artistes of the KPA Song and Dance Ensemble were present at the meeting.

KPA Supreme Commander Comrade Kim Chong-il's thanks to producers and artistes of the KPA Song and Dance Ensemble were delivered to the thunderous applause of the participants. Speakers participated in a debate to express their resolve. [passage omitted]

Paper Praises Kim Chong-il's Work on Socialism

SK2203112595 Pyongyang KCNA in English 1040 GMT 22 Mar 95

["Popular Masses' Desire for Independence, Criterion in Formulating Lines and Policies"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—NODONG SINMUN today, in an article titled "Popular Masses' Desire for Independence Is a Criterion in Formulating Lines and Policies", points out that the great leader Comrade Kim Chong-il in the famous work "Socialism Is a Science" has given a highly important definition that the popular masses' desire for independence is the criterion in working out the lines and policies of the working-class party, on the basis of scientific analysis of the practical experiences of the Korean revolution.

The author of the article says:

The popular masses' desire for independence stands, above all, as an important guarantee for thoroughly carrying the popular nature in the lines and policies.

The Korean people accept the party's lines and policies as absolute ones because the popular masses' desire for independence is fully reflected in them.

This is wholly thanks to the great leader Comrade Kim Chong-il who is giving wise guidance to take the aspiration and demand of popular masses as a criterion in working out the lines and policies.

To fully reflect the masses' desire for independence is an important requirement for ensuring scientific accuracy of the lines and policies.

The party's lines and policies should be strictly based on scientific accuracy, and only then, can they serve as a powerful weapon and an ever-victorious banner in the revolution and construction.

If the working-class party's lines and policies are to be scientific ones contributing to realizing and championing the independence for the popular masses at all time, they should be laid down in reflection of the popular masses' desire for independence.

Even in complex and difficult circumstances, the Workers' Party of Korea has been able to establish the best socialist system and develop it continuously, because it has laid down its lines and policies by going among the masses. It is also because it reflected the masses' desire for independence in its policies and carried these out by relying on their efforts.

To reflect the popular masses' desire for independence is also a sure guarantee for always achieving great victory and success in the practical struggle to implement the lines and policies.

If the party's lines and policies are to effect an inexhaustible vitality in the practical struggle for transforming the nature and society, they should be brought home to the popular masses as their unshakable faith and the demand of life. The entire Korean people accept the lines and policies of the Workers' Party of Korea as the most correct ones and are displaying their infinite devotion and sacrificing spirit in the struggle to carry them out. This is because the lines and policies fully reflect the aspiration of the Korean people to enjoy an independent and creative life to their hearts' content.

Works of President Kim Il-song Studied Abroad

SK2203103595 Pyongyang KCNA in English 1019 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Seminars on the famous work of the great leader President Kim Il-song "For the Ultimate Solution of the Rural Question Under the Banner of the Socialist Rural Theses" were held by the Bulgarian Group for The Study of the Chuche Idea, the Moscow Youth Society for the Study of the Chuche Idea, the Swedish Committee for the Study of the Chuche Idea and the Ghana Institute of Journalism Branch of the Ghanaian National Institute of the Chuche Idea.

Speakers said that President Kim Il-song in the work made a wide-ranging review of achievements made by the Korean agricultural working people in their efforts to carry through the socialist rural theses and made clear the theoretical and practical matters for the ultimate solution of the socialist rural question and ways of their solution.

President Kim Il-song published the theses on the socialist rural question 30 years ago and expounded the principles, orientation and ways for the best solution of the peasant question and the agricultural question under socialism, they noted, and went on:

President Kim Il-song wisely led the work for carrying out the ideological, technical and cultural revolutions in the countryside, strengthening the working class leadership over the peasantry, the assistance of industry to agriculture and the support of towns to the countryside, improving the guidance and management of agriculture and for turning cooperative ownership into public ownership, so that socialism of Korea could be further consolidated and developed.

The great leader Comrade Kim Chong-il is now setting a good example in solving the socialist rural question by carrying forward and developing the chuche cause of the great leader President Kim Il-song.

A lecture and a public discussion on this work were held by the Kim Il-song Agro-Scientific Institute in Guinea and the Kinsasha Group for the Study of the Chuche Idea of Kim Chong-il in Zaire.

A seminar on his work "10-Point Programme of the Great Unity of the Whole Nation for the Reunification of the Country" was sponsored by the Zairean [words indistinct] for the Study of the Chuche Idea.

Russian Delegation Visits Kim Il-song Statue

SK2203051295 Pyongyang KCNA in English 0435 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—The delegation of the Maritime Territorial Administration of the Russian Federation headed by its Governor Yevgeniy I. Nazdratsenko visited the statue of the great leader President Kim Il-song standing high on Mansu Hill in Pyongyang on March 20 to express respects.

The guests made a bow before the statue of President Kim Il-song with the feelings of reverence for him.

Military Attaches Visit 'Revolutionary Site'

SK2203052195 Pyongyang KCNA in English 0440 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—The Military Attaches Corps here visited the Ponghwa revolutionary site in the suburbs of Pyongyang on March 21 on the occasion of the 78th anniversary of the formation of the Korean National Association organized and led by Kim Hyong-chik, an indomitable revolutionary fighter and an outstanding leader of the anti-Japanese national liberation movement in Korea.

Ponghwa-ri is a place in which Kim Hyong-chik, father of the great leader President Kim Il-song, formed the Korean National Association, an underground anti-Japanese revolutionary organization on March 23, 1917.

The members of the corps laid bouquets before the statue of Kim Hyong-chik and went round revolutionary mementoes and the Ponghwa Revolutionary Museum.

After the visit the corps wrote in the visitor's book:

"We saw well that the revolutionary tradition has been carried forward from generation to generation, from Kim Hyong-chik to the great leader Comrade Kim Il-song and to Supreme Commander Comrade Kim Chong-il. We firmly believe that the revolutionary cause of the great leader will be successfully accomplished under the wise leadership of the supreme commander."

Military attache of the Vietnamese Embassy Tran Thuc who is the doyen of the corps said that through the visit he more deeply felt the family of the great leader President Kim Il-song is a patriotic family that waged a revolutionary struggle through generations. The great tradition of the revolutionary family is carried forward generation after generation, he added.

He stressed: "Though the great President Kim Il-song passed away to our sorrow, Supreme Commander Comrade Kim Chong-il is successfully carrying forward and accomplishing the revolutionary cause of the president."

Hochongang Plant Increases Electricity Generation

SK2203080895 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 21 Mar 95

[FBIS Translated Text] The working class of the Hochongang Power Plant has increased electricity generation over the past month by 1.2 times as much as the corresponding period last year; they did this by vigorously struggling to increase electricity generation.

The workers are making many efforts to increase the efficiency of the generating facilities while effectively utilizing the already existing electricity generation capacity, regarding this as one of the important ways to increase electricity generation.

The general staff of the power plant has helped generate more electricity while having set a clear-cut goal to increase electricity generation and renew (?technical indices).

The workers at the electricity generating workshop have accepted new worthwhile technical innovation plans and have operated all generators in a scientific and technical manner, thereby achieving success in generating several thousand kwh of electricity more than originally planned every day.

Meanwhile, equipment operators, in cooperation with technicians, are systematically increasing the generating power capacity per tonne of water by effectively managing and operating the flow meters and remote-control apparatuses for measuring the water level.

Chongjin Power Plant Attempts To Raise Output

SK2203131395 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 22 Mar 95

[FBIS Translated Text] According to a report filed by station correspondent (Choe Chang-hwa), party members and workers of the Chongjin Thermoelectric Power Plant, who have risen as one to uphold and accomplish the party's revolutionary economic strategy, are waging a vigorous struggle to generate more electricity in order to send it to various sectors of the people's economy.

They are normalizing the generation of (?steam) and electricity while trying to achieve technical innovations to find important reserves for the normalization of production and while actively introducing worthwhile technical innovations into production by pooling their wisdom.

Meanwhile, the power plant is generating more electricity with a small quantity of raw materials by operating the equipment in a scientific manner, conducting checks and preventive repairs of the electricity generating equipment—including turbines—thoroughly in conformity with the demands of technical regulations. Therefore, they are generating electricity by 1.2 times as much as the corresponding period last year.

Developments in Fisheries Industry Reported

SK2203104995 Pyongyang KCNA in English 1032 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Korean working people in the fishery field are greeting the Day of Fishermen (March 22) with big achievements in production.

According to data available at the Ministry of Fisheries, marine products increased 10 percent as of March 20 this year over the corresponding period of last year. Fish of them grew by 60 percent.

In this period Sinpo, Unjon, Chongju Fishery Stations and many other stations fulfilled the first quarterly year plans ahead of schedule.

Korea rich in marine resources has directed big efforts to developing the marine products industry.

In the 1960s the solid material and technical foundations of fisheries were cemented with the building of many fishing vessels of various types such as factory ships of above 10,000-ton class, 5,000-ton refrigerator transport ships and 3,750-ton stern trawlers.

And ship repair bases, fishing-tackle producers, ports and marine products processing bases had been built and the inner structures of fisheries perfected and its chuche character further strengthened.

During the period of the Six-Year Plan (1971-1976) a drive for building large-sized, modernized and universal fishing ships was pushed ahead. As a result, the hauling capacity of fishing ships grew 1.5 times and the number of ship scientific and technical instruments 2 times.

In this period modernly-equipped cold-storage factories with the refrigerating capacity of hundreds of thousands of tons were built in major fishing ports.

The goal of 1.6 million tons of marine products, which was envisaged in the Six-Year Plan, was hit one year and seven months ahead of schedule.

The independence of the fishing industry was radically strengthened in the period of the second Seven-Year Plan (1978-1984).

Marine products processing bases were expanded on a large scale and many large cold-storage factories and cold storages built in Pyongyang, Sinpo, Yukdae, Wonsan, Chongjin, Nampo and other places.

In the period of the fulfillment of the plan marine products recorded a growth of 2.2 times.

Especially, during the third Seven-Year Plan (1987-1993) the fisheries saw an increase of more than 1,100 fishing boats including stern trawlers of above 3,750-ton class as well as the drastic expansion of sea culture areas, which ensured a considerably radical increase in seafood production.

Today the nation's fishing industry has perfect structures of branches and steadily develops on the basis of latest science and technology.

* Editorial Urges 'Rock-Firm Faith' in Socialism

952C0072A Pyongyang MINJU CHOSON in Korean 20 Dec 94 p 1

[Editorial: "Let Us Fight On Staunchly With Rock-Firm Faith in Chuche Socialism"]

[FBIS Translated Text] The Dear Comrade Kim Chong-il, the great leader of our party and people, has lifted the ideological theories of socialism as a science, onto the highest and most brilliant plane by putting out his historic work "Socialism Is a Science." It has illuminated the path to successful completion of the cause of self-dependence for the masses of people, the cause of socialism, with greater brilliance and splendor, thereby bestowing a strengthened, rock-firm faith in socialism upon the working people.

All functionaries and the working people should carry on their staunch fight for the successful completion of socialism, cherishing more deeply in their hearts the faith that socialism is a science and is bound to win.

The dear leader Comrade Kim Chong-il pointed out as follows:

"Socialism with its primary emphasis on man, the socialism that is centered on the masses of people, is the most scientific, most superior, and most powerful socialism. That socialism is bound to win because of its scientific nature and truthfulness."

A firm faith in socialism is the ideological and spiritual source of struggle for its realization. The cause of socialism moves forward and it is completed on the basis of the deep faith of the masses of people in its justness and in the inevitability of its triumph. Whether or not socialism is adhered to, whether or not it advances and is completed successfully, largely depends on how the people hold their faith in the cause of socialism in their hearts.

In the future, too, we must fight as unswervingly as ever and even more staunchly, with rock-firm faith in our way of socialism that is centered on the masses of people. And by doing so, we must carry forward from generation to generation, and bring to brilliant completion, the cause of chuche socialism that was charted and led by the great leader Comrade Kim Il-song.

Most important here is for all the people to recognize more thoroughly the scientific nature and truthfulness, the superiority and vitality of our way of socialism that is centered on the masses of people, the socialism with its primary emphasis on man.

Faith in socialism comes from thorough awareness of its scientific nature and truthfulness. It becomes more and more immutable as the people feel the true superiority and invulnerable vitality of socialism with all their hearts.

Functionaries and the working people must, first of all, deeply grasp the fact that socialism is science and truth.

The dear leader Comrade Kim Chong-il clearly elucidated the scientific nature of socialist ideologies in his numerous classic works. Especially in his historic work "Socialism Is History," he clarified once more, in depth and with clarity, the scientific nature and truthfulness of our socialism with primary emphasis on man, the socialism centered on the masses of people.

The truth is that our socialism is the most scientific ideology based on the chuche-oriented viewpoint and position toward man and toward the masses of people and that it is the one and only guiding ideology and the revolutionary banner for the masses of people aspiring after the independent stand and attitude. Functionaries and the working people should have this fact engraved on their hearts and build it firmly into their faith.

It is also important for them to fully realize the superiority and vitality of our way of socialism.

Our socialism is a unique socialism, putting the masses of people at the forefront as the subject of history and as the masters of everything in society, and making them acquit themselves fully of their responsibility and role.

All the working people should deeply feel with all their hearts the absolute superiority and the invulnerable vitality of the socialism of our country, which the great leader Comrade Kim Il-song created and fully developed, putting all his life into it, and to which the dear leader Comrade Kim Chong-il is adding luster endlessly. They should find their utmost national pride and revolutionary confidence in it. And they should further strengthen their belief in the everlasting life force and invincibility of socialism. Especially, they should know better about the proud realities of our country that, under the unsurpassed and tested leadership of the dear leader Comrade Kim Chong-il, is pressing ahead through the severe storms of history with added momentum daily, demonstrating the brilliant features of the true socialism.

Firm faith in socialism should be given full play in the practical struggle to bring the cause of socialism to completion.

All the working people should mount struggles for socialist construction even more boldly, holding aloft the great plans of the dear leader Comrade Kim Chong-il with one and the same mind of loyalty and piety.

The most important task in the socialist construction at this time is to thoroughly implement the revolutionary economic strategies put forward by the party, the basic purpose of which is to improve the people's living conditions decisively.

The great leader Comrade Kim Il-song worked heart and soul to give our people a good life, a life so good that they would have nothing to envy in the world, creating everything needed to ensure an affluent and civilized life for them. It was the lifelong desire of the fatherly leader to see every citizen enjoy a life that includes meals of pure white rice and meat soup, silk clothes and tile-roofed housing. The revolutionary economic strategies of our party reflect that lofty intent of the great leader Comrade Kim Il-song, and it is our party's firm resolution and revolutionary will to adhere to and implement it.

The dear leader Comrade Kim Chong-il clearly showed the direction and method for the thorough implementation of these strategies. And on a number of recent occasions, he again has made important references to them.

All functionaries and the working people should make new innovations in the struggle to implement the agriculture-first, light industry-first and foreign trade-first policies set forth by the party, as well as the strategic tasks to give firm priority to the preceding branches of the people's economy—i.e., the electric power industry, the coal industry and the railway transport sector—and develop the metal industry continuously.

Those in the agricultural sector should, based on the achievements made and experiences gained in this year's farming, implement more thoroughly the party's agricultural policies and the chuche farming method, while functionaries and the working people in light industry should unswervingly adhere to, and translate into reality, the party policy of a revolution in that sector and, in the foreign trade domain, they must attain brilliant achievements in the implementation of the party's foreign trade-first policy. At the same time, vigorous struggles should be launched to increase the production of electric power, coal, iron, and steel, and to meet the increasing demands for transportation.

In all sectors and units, economic tasks assigned must be fulfilled by the stage, by the period, and by the indicators without fail. All functionaries and the working people will defend their revolutionary posts in a responsible manner, solve all problems arising in economic construction in accordance with the strategic intent of the party, and display a high revolutionary spirit.

To give full play to the revolutionary spirit of self-reliance and fortitude means to firmly guarantee the successful fulfillment of the proud tasks of socialist economic construction. It is the revolutionary ethos that should be embodied by all functionaries and the working people in today's struggle.

All the working people must keep their forward movement and innovation going with the velocity of chollima plus the "Speed of the 1990's," holding aloft the militant slogan "Accelerate the general socialist march in the revolutionary spirit of self-reliance and fortitude!"

All the branches and units should take the down-to-earth stand to resolve everything with one's own strength even if the higher echelons do not supply the necessities, although it would be better if they do. And by doing so, they will manufacture what is nonexistent and seek out more of what is in short supply, accelerating production and construction energetically. They should further heighten the flames of struggle for increased production and conservation everywhere, explore and mobilize all reserves and possibilities, and put them to the most effective use, thereby producing and building more and better with less labor, less material, and fewer funds.

In fighting on staunchly with firm faith in socialism, functionaries of government agencies and administrative and economic organizations should become models.

Functionaries should be the first to arm themselves with the chuche ideology and theories about socialism, building them into their flesh and bones. They should embody them thoroughly, not in words but in practical deeds.

Functionaries should cherish the pure, burning loyalty and piety in their hearts to the dear leader Comrade Kim Chong-il—who is leading our party and revolution along the one road of victory and glory—and should fulfill their duties as members of the revolution in a responsible manner. Functionaries, as commanding officers of a revolutionary army will do, should always put themselves deep among the masses and—through their energetic political work—bring the masses to fully exalt their ideologies and creative powers; with their bold operations and masterful command, they should inspire the working people to perform heroic feats. When functionaries stand in the van of the ranks, holding the banner high and opening the way for further advances energetically, there will be miracles and innovations achieved in production and construction every day and every moment.

It is extremely important to enhance the responsibilities and roles of functionaries of local government agencies and administrative and economic organizations of all levels, especially those of county-level functionaries.

Early on, the great leader Comrade Kim Il-song elucidated creatively the position and role of the county in socialist construction. He showed the direction and method for the housekeeping of the county and built the foundations on which to develop local industries and the rural economy and to improve the people's living conditions.

Our party put forth as an important demand that all counties launch a broad movement to learn from the example of the Chonchon County Commercial Office and that of Maengsan County to develop local industries and the rural economy on their own, build up the county seat and rural villages assiduously, and improve the people's living standards rapidly.

Functionaries of the county people's committee and the county administrative and economic committee will uphold the intent of the party wholeheartedly and give full play to their high loyalty to the leader of the revolution, their boundless devotion for the people, their spirit of self-reliance and fortitude, and their revolutionary, lead-by-personal-example ethos. And by doing so, they will manage the housekeeping of the county on their own; by making the slogan "We serve the people" their motto, they will do their work in good faith. Thus, they will add luster to their highly valuable titles as faithful servants for the people infinitely, and will make true contributions to the struggle for the victory of the cause of socialism.

Brilliant and splendid is the future of our people fighting on staunchly with the iron faith that our way of socialism is science and truth, that it is a great ideology with everlasting life force, absolute superiority, and invincible might. Their victory is a certainty.

All functionaries and the working people will uphold wholeheartedly the sagacious leadership of the dear leader Comrade Kim Chong-il and rally more closely around the great commander Kim Chong-il with deeper faith in victory and, by doing so, bring the sacred cause of chuche socialism to brilliant completion.

* Love, Faith Said Essence of Socialist Politics

952C0069A Pyongyang MINJU CHOSON in Korean 11 Dec 94 p 2

[Article by Sok Chol-won: "Essence of Socialist Politics"]

[FBIS Translated Text] The dear leader Comrade Kim Chong-il, in his immortal classic work "Socialism Is Science," clearly elucidated the essence of socialist politics.

The dear leader Comrade Kim Chong-il pointed out as follows:

"Love and faith constitute the essence of politics in socialist society in which the masses of people are no longer the object of politics but the masters of it."

To shed light on the essence of politics correctly is an important matter in advancing, developing, and perfecting political theories in a proper way that suits the demands of development of the times and revolution.

Essentially, politics was born as an indispensable requirement of collective social life.

Thus, politics, born and evolved with human society, exists in any society. How politics is in a given society is decided by whom it is centered on, which in turn decides the issue of object and master in politics.

The masses of people are the subject of history and the motive power of social development. Such being the case, the question of the essence of politics can be correctly explained only by bringing the masses of people into the spotlight.

In earlier political theories, however, political issues were seen from a standpoint putting primary emphasis not on man but on economic relations, not on the common interests of society but on the interests of specific classes and strata; the words love and faith were understood from the thought and sentiment, viewing them as existing only in the relationships between individual persons. As a result, it was impossible to give prominence to, and realize, love and faith as a political relationship and a political principle.

The dear leader Comrade Kim Chong-il, in considering the question of the essence of politics, analyzed in depth the one-sided view and historical limitations of the earlier theories and put the masses of people in the center and gave love and faith prominence as a matter of top priority in political relationships. By doing so, he established it as a classic formula that love and faith constitute the essence of politics in socialist society in which the masses of people are no longer the object of politics but the masters of it.

Love and faith constitute the essence of socialist politics. It is because, first of all, they make it possible to realize the independent demands of the masses of people for glorifying their sociopolitical life and living a dignified life.

The most precious life for man is his sociopolitical life, which people receive from the social collective. Man needs a social existence; for him, a lack of sociopolitical life means virtual death; he may be physically alive but practically dead in the sociopolitical sense. Whether or not a person's life is a worthy one is determined by how he glorifies his sociopolitical life, which in turn depends on how it is connected with the social collective, the parent body of the person's sociopolitical life. The life of a person becomes a worthy one when he enjoys the faith and love of the social collective; it becomes an unworthy one when he is forsaken by the social collective.

The independent demands of the masses of people for living a dignified life while glorifying their sociopolitical life amid the love and faith of the social collective can never be realized in capitalist society in which the personal worth of a person is converted into an exchange value and then evaluated in terms of money and property.

The mission of politics is essentially to combine the social collective and individuals, and to realize the independent demands of the masses of people. Only when based on love and faith can politics, as a social function to organize and direct activities of people systematically, perform its function to consolidate the social collective and genuinely contribute to the realization of the intrinsic demands of man as a social existence.

It is socialist politics that can satisfactorily realize the independent demands of the masses of people for combining their destiny with the destiny of the social collective, working out their destiny by means of solidarity and cooperation and for living a dignified life while serving the social collective devotedly.

Socialist politics makes it possible for the masses of people to enjoy their independent rights as a social existence amid the love and faith of the social collective and to have their independent demands realized. Thus, it enables them to have their independent demands met satisfactorily for carrying forward their sociopolitical life and glorifying it endlessly. In socialist society, the masses of people freely participate in the state administration and sociopolitical activities as the true masters of the state and society; all are embraced in one or another political organization alike and live an independent political organizational life. They freely participate in the formulation and execution of party and state policies through their socialist political life, in a matter worthy of the master, forming kindred ties with the sociopolitical life body that is centered on the leader. In this process, people would uphold, with deep loyalty, the center of their sociopolitical life, the parent body of their lives. Never forgetting the faith and love of the party and the leader, they would lay down their lives unhesitatingly in the struggle for them and for the fatherland and people. By doing so, they combine their individual lives with the life of the collective and gain an immortal life amid the faith and love of the collective.

It is also because love and faith make it possible to further consolidate and develop socialist social relations that they constitute the essence of socialist politics.

Social relations means relations formed between people in society. Social relations, representing an essential condition for people's life, are formed with variations depending on the nature of the social system. And they can be solid ones when based on love and faith. In capitalist society based on individualism, they are formed based on antagonism and jealousy, confrontation and conflict among people. In the exploiting-class society, there can be no true love nor faith between the exploiting and the exploited and, as a result, there can be no solid social union formed on the basis of love and faith.

Once a socialist system is established, class confrontation is liquidated and relations between people shift from confrontation and faithlessness to love and faith. In a socialist society based on collectivism, people share the same objectives and aspirations, demands and interests; consequently, the leader, the party, and the masses are united in one and the same sociopolitical life body, forming the relationship of solidarity and cooperation with one another. This is the basic feature of social relations in socialist society. In socialist society, love and faith bloom between the social collective and its members and between individual members of society. And they are manifested in the loftiest fashion between the leader and the fighters. Only in socialist society in which the leader and fighters, and the party and people, are united in love and faith, and in which the whole society is turned into one and the same sociopolitical life body, can the independent demands of the masses of people for a life of solidarity and cooperation be realized.

A mere fact that the socialist system is in place does not necessarily mean that the relationship of genuine, comradely solidarity and cooperation among people cemented in love and faith comes by itself. In socialist society, if the relationship of comradely solidarity and cooperation, love and faith, is to be realized in every field of social life, its politics must become a politics of love and faith. That is because, in socialist society, organizing and directing people's activities systematically is after all the job of politics.

Socialist politics, embodying the principle of love and faith, combine the independent demands of the social collective and those of individuals; it directs and manages society systematically to ensure that collectivist interests are fully met in every field of social life. When the relationship of solidarity and cooperation of the social collective is strengthened through socialist politics, and when the society is thus filled with the ethos of its members helping and leading one another, the fervor and creative power of the masses are brought into full play in every field of social life and the relationship of solidarity and cooperation based on love and faith is enhanced in a most admirable fashion. Thus, new social relations, representing the loftiest human relationship unprecedented in any society in history, is formed in socialist society based on collectivism, and it consolidates and develops endlessly.

Socialist politics, a politics of love and faith, constitutes the key factor of the superiority and invincibility of our country's socialism.

In our society, the masses of people occupy the position of the masters of the state and society and thoroughly fulfill their responsibilities and role as the masters; it is a society developing by the power of the wholehearted unity of the masses of people. Therein lie the superiority and invincibility of our way of socialism centered on the masses of people. The superiority and invincibility of our way of socialism is solidly guaranteed by socialist politics embodying the principle of love and faith.

Today, all the policies and popular programs formulated and implemented by our party, the laudable communist virtues held in high esteem in our society, and all the achievements made by our party in revolution and construction are backed up and consolidated by the politics of love and faith, the politics of benevolence. This strongly demonstrates the true superiority and invulnerable vitality of our country's socialism.

The ideology of the dear leader Comrade Kim Chong-il, elucidating that love and faith constitute the essence of politics in socialist society, in which the masses of people are no longer the object of politics but its masters, is of great theoretical and practical significance.

The clear-cut explanations of the essence of socialist politics have provided a programmatic guideline to clarify scientifically the theoretical foundations on which to practice socialist politics centered on the masses of people, and to solve anew all theoretical questions about socialist politics, including those of political system and method, from a people-oriented, scientific standpoint. It has also enabled the masses of people to further solidify and develop the superiority and invincibility of socialism with confidence in it. It has provided a powerful ideological weapon for fully exposing the true identity of the imperialists and opportunists who betrayed socialism and their maneuvers to beautify and embellish the antipeople essence of capitalist politics, and for rejuvenating socialism and enabling it to ultimately prevail.

The ideology of the dear leader Comrade Kim Chong-il on the essence of socialist politics is permeated with the warm love for the people of the dear comrade leader, who inherited the whole of the lofty intent of the respected and beloved leader whose lifetime motto was "The people are god", and who spent all his life practicing politics for the people.

Invincible forever will be our way of socialism, which is centered on the masses of people led by the dear comrade leader who always gives prominence to the masses of people as the absolute existence and who infinitely bestows love and faith on the people.

All functionaries and the working people will fight on more staunchly to add luster to our way of socialism and to bring the revolutionary cause of chuche to perfection, cherishing deep in their hearts the great national pride and confidence as they carry out a revolution under the dear leader Comrade Kim Chong-il, the most preeminent thinker and theorist and the greatest statesman of our times.

South Korea

Kim Warns North on Nuclear Accord Implementation

SK2203062495 Seoul YONHAP in English 0605 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—President Kim Yong-sam warned Wednesday that North Korea will be punished by the whole world if it does not faithfully implement the nuclear agreement and chooses to move against the current of the times.

Delivering a speech at the 51st commencement cremony of the Korea Military Academy Wednesday afternoon, he criticized that North Korea has ignored South Korea's efforts to improve inter-Korean relations in adherence to its confrontation-oriented policy of the Cold War days.

Defense Minister Yi Yang-ho, Chairman of the Joint Chiefs of Staff Gen. Kim Tong-chin and other senior military officers attended the graduation ceremony along with key figures in the government, the judiciary and the National Assembly.

"From long ago North Korea has designated this year as 'the year of unification' and strengthened its military power. Pyongyang has also continued to fiercely criticize our government and tried to neutralize the military Armistice Agreement. Furthermore, North Korea is stepping up military exercises these days," Kim said.

The South Korean military and Government are carefully watching the North Korean moves and has taken a watertight defense readiness to immediately cope with any situation, Kim added.

North Seeks Festival Advertising in South, U.S.

SK2203090095 Seoul YONHAP in English 0816 GMT 22 Mar 95

[FBIS Transcribed Text] Washington, March 21 (YONHAP)—North Korea is positively persuading large South Korean and U.S. businesses to advertise themselves at the Pyongyang festival slated for late April, it was learned Tuesday [22 March].

A U.S. business source said that the North has been contacting major South Korean and U.S. firms to that end through the Uri International Advertising Co., an ethnic Korean advertising agent operating in Los Angeles.

Pyongyang has permitted the establishment of huge billboards at four places, with prices ranging from a minimum 30,000 to a maximum 3 million U.S. dollars, according to the source.

The sites allowed for the advertising are the Nungnado Stadium where demonstration events will be held by world-renowned champions including Japanese wrestler Antonio Inoki, the Kim Il-song Stadium where field and track events will take place, the Kim Il-song Square where night festivals are to be held, and the Taesongsan Park where cultural events are taking place.

Another American source said that while American firms are allowed to publicize their company names on the sign boards, South Korean enterprises are only permitted to use the names of their brands.

North Korea claims that the Pyongyang festival has great publicity potential as approximately 100,000 foreign tourists from Russia, China, the United States, Japan, France, Germany and Australia are expected to attend, in addition to numerous North Koreans, according to the source.

"Given its reclusiveness, it is noteworthy that North Korea is trying to encourage publicity at the Pyongyang festival by foreign firms and even allowing South Korean enterprises to advertise their brands," the source opined.

A few American firms including Coca Cola are responding to the Pyongyang bid quite affirmatively, and some South Korean conglomerates are also studying its feasibility, the source said.

Asked by telephone if they will take advantage of the Pyongyang festival for publicity purposes, a Coca Cola official in Atlanta said, "I'll let you know after confirming the matter inside the firm." He has not yet returned the call as of Tuesday afternoon.

The American source also said that Pyongyang plans to invite the world-famous magician David Copperfield to the festival and that Americans concerned are now in Pyongyang negotiating the proposal.

North Importing Consumer Items for Sports Event

SK2203014395 Seoul YONHAP in English 0052 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—North Korea is purchasing high-grade consumer goods in bulk from Europe and South Korea in preparation for the Pyongyang sports and culture festival and birthday of the late Kim Il-song, both slated for next month, business sources here said Wednesday.

North Korea recently imported such goods as cooking oil, beer, whiskey, cigarettes, and soaps produced in South Korea and European countries like Germany, the Netherlands, and France, through the inter-Korean sea route of Inchon-Nampo and Hong Kong-Nampo route, according to shipping companies here.

Han Sung Shipping Co. Ltd. has transported tens of tons of South Korean cooking oil, 15 twenty-foot equivalent units (TEUs) of Dutch Heineken beer, one TEU of whiskey and another TEU of cigarettes to Nampo, North Korea's western port city, for the past two months.

North Korea is even importing European high-grade soaps for the first time. The imported cigarettes include such brands as Marlboro, Kent and Three Seven.

An official at Han Sung said that North Korea will most likely use the goods to receive foreign guests who will participate in its Pyongyang festival, slated for April 26, and those who will visit there for the birthday of Kim Il-song, which falls on April 15.

Meanwhile, Samsun Shipping Corp. said that it plans to transport two TEUs of European-produced whiskey from Inchon to Nampo early next month.

North Magazine Announces Worker Incentive System

SK2203060395 Seoul MAEIL KYONGJE SINMUN in Korean 22 Mar 95 p 2

[By reporter So Yang-won]

[FBIS Translated Text] North Korea is the only country to abide by strict communism. However, following its partial economic opening, North Korea is actively introducing material incentive programs which are the driving force of capitalism.

According to the National Unification Board on 21 March, a North Korean popular general-interest magazine "Chollima" reported in its "Economic Common Sense" column that working people who exceed work goals will be given a 10- to 100-percent reward or subsidy.

Chollima defined the reward as "payment for labor in addition to the basic living expenses to those groups or individuals who overfulfill their economic plans and bring about more surplus for the country," and stressed that "it is important to fairly distribute the reward in accordance with the degree of contribution to the country." Apart from the overfulfillment of production targets, a 10 to 100-percent reward will also be given for unique ideas or inventions.

Subsidies are similar to rewards but will be given to working people or enterprises that exert all their efforts toward solving technological and economic problems. Subsidies will be given to those who normalize production, improve equipment efficiency or quality, and conserve raw materials.

The magazine reported that drivers and mechanics of plants or enterprises with an independent profit system will be given additional payment within 100-percent of their salary when they achieve the target of ensuring equipment at full capacity operation.

While outwardly rejecting capitalism fully, North Korea has partially applied the incentive system, and it is very unusual for a popular magazine to carry such active promotion of the incentive system.

Unification Minister on N-S Economic Exchanges

SK2203014195 Seoul YONHAP in English 0042 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Deputy Prime Minister and National Unification Minister Na Ung-pae suggested Wednesday that the government will permit World Vision to offer a limited quantity of grain to North Korea.

"Provided it is of a small quantity, I think it would be fine to offer grain to the North on the basis of promoting inter-Korean economic exchanges and improving relations," Na told a press conference.

As for personnel exchanges between the South and the North, however, the nation's top unification policymaker said, "it is desirable to promote them in May, skipping April during which the birthday of Kim Il-song and the Pyongyang festival fall."

And as for inter-Korean economic cooperation, Na said, "it will be expanded on a step-by-step basis, starting with technology support, processing-on-commission trade and joint ventures on daily necessities."

Business links between South and North Korea will further develop in line with improvements in inter-Korean relations, he added.

The government will authorize more enterprises to visit the North to promote business links during the first half of the year, according to the deputy prime minister.

"Business links on a small scale will be promoted with flexibility even if they exceed the investment ceiling of 5 million U.S. dollars, should they be, in terms of the nature of projects, conducive to improving inter-Korean relations," Na said.

He noted there are some complicated procedures for enterprises to undertake in promoting business links with North Korea such as obtaining separate approvals for cooperative projects and the project's representative. But "somewhat rigid standards will be administered in a flexible manner," he said.

He however called upon the bosses of major business conglomerates to refrain from visiting the North for the time being, reasoning, "visits to the North by top conglomerate leaders are not likely to be of great help as they tend to make a lot of noise and as the scale of projects would be huge."

Pak Hong on Pyongyang-Trained Student Assassin

SK2203112395 Seoul YONHAP in English 1102 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Pak Hong, president of Sogang University, said Wednesday [22 March] a South Korean student underwent a terrorist training in North Korea and returned home with the duty of killing him.

Testifying at the trial of a man allegedly involved in a North Korean spy ring based in Germany, Pak said Han Pyong-hun, 31, called on him at his school office last September and confessed that he was trained in North Korea and returned home with the mission to kill him.

"Han said he had entered North Korea several times during his days of a student in Germany and the North gave him the mission to kill me because of my public denouncement of pro-chuche thought followers in the South," Pak said.

According to Pak, North Korea promised Han to pay him 500,000 dollars if he had succeeded in the killing.

Pak asserted in the testimony that there are many among activist Hanchongnyon students and those South Korean students in Europe who have been won over and are being used by the North Koreans as was the case with Han Pyong-hun.

"I cannot identify them now but will disclose what I know about them at an appropriate time so as to help them choose a correct path," the university president said.

Kim Tae-chung Remarks Said 'Helpful' to North

SK2203114095 Seoul YONHAP in English 1108 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Ruling camp leaders on Wednesday [22 March] denounced Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, for making remarks "helpful to the cause of North Korea."

Deputy Prime Minister Na Ung-pae said it was not desirable for Kim Tae-chung to say that "government measures taken on the issue of condolences over the death of Kim Il-song were not appropriate."

"We cannot tolerate condolences in view of the 50-year history of inter-Korean relations and people's sentiments," Na said. "I think the government acted properly at that time."

He said he cannot agree with Kim Tae-chung's assertion that a majority South Koreans believe the government made a mistake at that time. "I rather believe a majority of the people believe the government steps were proper," he said.

Ruling Democratic Liberal Party [DLP] Spokesman Pak Pom-chin asserted that Kim Tae-chung, a retired politician, used to make remarks advantageous to North Korea whenever there emerged important knots in inter-Korean relations.

It is the natural sentiments of the people that the South cannot offer condolences over the death of Kim Il-song, the mastermind of the Korean war, Pak said.

"It also is an act siding with the North Korean cause for him to demand that the National Security Law be rewritten or repealed along with North Korea's criminal code."

The DLP spokesman said his party wishes to ask Kim what is his ulterior motive behind his remarks detrimental to national security.

U.S. Building Restrictions Request Rejected

SK2203061795 Seoul YONHAP in English 0601 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—South Korea recently informed the United States of its decision not to lift restrictions on the construction of new American Embassy building in downtown Seoul and residences for embassy staff members in the United States military compound in central Seoul, according to a Foreign Ministry official Wednesday.

Officials of the Ministries of Foreign Affairs and Construction and Transportation and the Seoul City Administration met recently to discuss the request by the U.S. Embassy here to lift height restrictions on the former Kyonggi Girls' High School site which the United States took in return for relinquishing its current embassy building to the South Korean Government, according to the official.

The U.S. side has also demanded that the South Korean Government designate the school grounds as a commercial zone from the current status of a residential site, so they could sell it at a higher price. With the profits, the U.S. planned to build an embassy at a different location.

He said that the ministry unofficially notified the U.S. side on the decision not to allow such favors for the U.S. side citing current domestic laws and the people's sentiment against such favors to the United States.

The U.S. side responded by saying that the request on such favors was just one of several options for the construction of its new embassy building, according to the official.

'Toxic Gas' Episode in Seoul Building Reported

SK2203083295 Seoul YONHAP in English 0825 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Thirteen people were suffocated by toxic gas of unknown kind at an office building in southern Seoul Wednesday [22 March] afternoon.

The incident occurred at the 19-story Taehyon Building near Nonhyon-tong, Kangnam-ku, around 4:10 P.M. [0710 GMT].

A police source said the gas originated somewhere between the 15th to 18th floor of the building. How the gas broke out there was not immediately determined, the source said.

The suffocated people, including Kim Chong-yong, 38, were taken to the nearby Anse and Kangnam St. Mary Hospitals.

The source said, however, that the gas is believed to have first broken out on the 18th floor of the building, which is occupied by the American Life Insurance Co.

For, he said, most offices on the 11th to 17th floors are left empty as they were used by the affiliates of the Doksan Business Group, most of which have recently moved out upon Doksan's bankruptcy.

The existence of the gas was first found by a building maintenance man who detected gas in some higher-floor offices in the course of operating the air-ventilation system, the source added.

'Threatening Call' to U.S. Firm

SK2203093995 Seoul KBS-1 Radio Network in Korean 0900 GMT 22 Mar 95

[FBIS Translated Text] In broad daylight, toxic gas of an unidentified kind was leaked into an office building, suffocating approximately ten people.

At around 1600 [0700 GMT] on 22 March, toxic gas of an unidentified kind was leaked into the Taehyon Building in the vicinity of the Yongdong crossroads in Nonhyon-tong, Seoul. As a result, 11 people who had been inside the building, including Mr. (Choe Chae-ho), fell unconscious.

Those who were suffocated by gas include: (Ho Chong-su), 23; (Kang Yong-chu), (?23); (Yi Hyon-yong), 21; (Choe Chae-ho), 29; (Chi Yun-son), 26; (Cho Song-hyon), 24; (Kim Chin-kyu), 24; (Yi Chun-ho), 33; (Yi Nam-chon), 26; and (Mun Chong-son), 35.

Today's incident occurred when an unidentified gas leaked from between the 15th to 18th floors of the Taehyon Building, in which the American Insurance Company is housed. At this moment, the police are investigating the cause of the incident, cordoning off the scene.

In view of the fact that there are no gas facilities within the Taehyon Building where the incident took place, and that the employees of the American Life Insurance Company said they received a threatening telephone call on the morning of 22 March, the police suspect that a man who has a personal grudge against this company had intentionally sprayed the toxic gas and had run away.

In view of the remarks by the building tenants that they had smelled insecticide while testing the air-ventilation system today, the police suspect it is highly likely the suspicious material had been sprayed into the air-ventilation system.

The injured are now hospitalized for treatment in the Kangnam St. Mary's Hospital, the Anse Hospital, and the Hansarang Hospital. However, their condition is not yet known.

'Toxic Experts' Consulted

SK2203115895 Seoul YONHAP in English 1153 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—The number of the victims of a toxic gas in southern Seoul Wednesday [22 March] afternoon swelled to 19, police sources said.

The sources said the gas of unidentified type swept the offices of the 15th, 18th and 19th floors of the 19-story Taehyon Building in Kangnam-ku.

The victims, who all were under treatment at four nearby hospitals, included a number of the employees of the American Life Insurance Co. which is housed at the building's 18th floor.

Most of the remainders were the employees of the Chongho Mulsan Co. that moved into the 15th floor Wednesday.

"I suddenly felt a serious headache and had difficulty in breathing," Ms. Ho Chong-suk of the American Life Insurance's Training Department said.

Stating it occurred while she and her colleagues were taking snacks in the office, Ho said she saw about 10 of her fellow staffs suffer from the same symptoms.

The police called in toxic experts to determine the kind of the gas and remove gas residues from the offices.

The police, the sources said, believe the gas flowed into the offices of the three affected floors through air-conditioning ducts.

"So far, the police have found no traces of a deliberate gas attack by any one," the sources added.

SRV, Seoul Meet, Discuss Economic Cooperation

SK2203023795 Seoul YONHAP in English 0153 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—South Korea and Vietnam opened Wednesday a two-day joint economic committee meeting here on ways to enhance bilateral economic cooperation.

The talks are to address a variety of issues on trade, investment, resources, construction and telecommunications, according to Foreign Ministry officials.

During the talks, the two sides will initial agreements on loans from the Economic Development Cooperation Fund (EDCF) and scientific and technology cooperation, they said.

Assistant Foreign Minister for Economic Affairs Son Chun-yong heads the South Korean side and his Vietnamese counterpart is Vice Foreign Minister Vu Khoan.

Kong, SRV Vice Foreign Minister Meet

SK2203023895 Seoul YONHAP in English 0156 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Foreign Minister Kong No-myong met Wednesday with Vietnamese Vice Foreign Minister Vu Khoan on expanding economic cooperation, Foreign Ministry officials said.

Kong demanded that the Vietnamese Government allow South Korean businesses to actively take part in a variety of Social Overhead Capital (SOC) projects in Vietnam while the Vietnamese vice foreign minister asked for the Seoul government to allocate more Economic Development Cooperaton Funds (EDCF) to Vietnam, said the officials.

They also discussed bilateral political issues including the proposed visit to Seoul by the Vietnamese Communist Party general secretary Do Muoi next month, they said.

WTO Candidate Kim Chol-su Profiled

SK2203020595 Seoul YONHAP in English 0144 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Kim Chol-su, the South Korean Trade Ambassador nominated for the post of a deputy director general of the World Trade Organization (WTO), has been widely regarded as an international trade expert and is also well known in the world arena.

After he graduated from the prestigious Kyonggi High School in Seoul, Kim went to the United States to study political science at Tufts University. His study in the United States continued at the University of Massachusetts where he obtained his doctorate degree in political science.

Thereafter, he taught for two years at Smith College and St. Lawrence University until he came back to the country to start his career in the officialdom. He served as International Trade and Industry Minister until late last year when he was appointed to his present post.

He maintains good relationships with American officials in commerce, particularly with U.S. trade representatives.

When the South Korea-U.S. relation was strained due to bilateral trade issues, American officials even evaluated Kim to be an honest man.

Kim, whose English name is Charles Kim, performed as a South Korean representative in bilateral and multilateral negotiations when he was assistant minister of international trade and industry from 1984 to 1990.

As a South Korean representative, he also fully participated in the Uruguay Round negotiations that started from September 1986. Last April, he attended as a South Korean representative the signing ceremony for the Uruguay Round agreement held in Morocco.

Kim was awarded the order of service merit from the government in 1981 and 1990, respectively.

The third son of Kim Yu-taek who served as a government minister and governor of Bank of Korea, Kim has a son and a daughter with his wife Han Yu-sun.

U.S. 'Influence' in Electing WTO Leader Noted

SK2203080095 Seoul HANGUK ILBO in Korean 22 Mar 95 p 5

[By reporter Ko Tae-song]

[FBIS Translated Text] The year-long tug-of-war between the countries concerned with the election of the first director general of the World Trade Organization [WTO] has ended with the victory of the Italian candidate Lenato Ruggiero. Accordingly, our country's candidate Kim Chol-su, who competed against Ruggiero, cannot help but be satisfied with securing the post of WTO deputy director general through behind-the-scenes negotiations in return for abandoning his candidacy for director general. This is the result of the United States' final decision to support Ruggiero. The United States withheld announcing its position when Mexican candidate Salinas dropped out of the race for WTO leadership. From the beginning, the United States has exerted a major influence upon this election even though no U.S. candidate participated in the competition. After Salinas, whom Washington originally supported, dropped out of the race due to domestic political reasons, the United States held the deciding vote, weighing the ROK and Italian candidates, and even mentioning a third candidate, before finally deciding to vote for Ruggiero.

Regarding this, an ROK Government official stated: "From the beginning, the United States did not want an election for the WTO director general without its influence." He continued: "The strong influence of major powers which control the world economy, such as the United States and the EU [European Union], has again been clearly proved by the outcome of this election."

In the course of the election, the United States carried out its intention to reduce the first director general's term, then decided to elect the next director general from among candidates from regions other than Europe. This is regarded as a strategic approach toward its future leadership of the WTO.

Government authorities stress that securing the deputy director general's post for Trade Ambassador Kim is second best under the current situation. Although they did their best up until the end, in an informal vote, Ambassador Kim won only half as many votes as Ruggiero; even the United States decided to support Ruggiero. Accordingly, the government believes that further competition with Ruggiero under these circumstances would only be more of a detriment than an asset. It is considered a desperate measure by our side to have Ambassador Kim elected as WTO deputy director general, adding one more deputy general post to the already existing three deputy director posts in the General Agreement on Tariffs and Trade (occupied by the United States, Mexico, and India).

Although the competition over the WTO leadership has concluded with Ruggiero's victory, various problems emerged in the course of the election that have yet to be solved. First, negotiations will be needed to decide on the functions and fields Ambassador Kim will take charge of as a deputy director general. It is also a long- or short-term task to make decisions regarding the first director general's term and regarding which continent's candidate should be elected director general for the next term. In addition, a fundamental question has emerged over whether, under the present system, it is possible for the WTO to be swayed in the future by a few powers that exert a strong influence.

'Bragging' About WTO Election Issue Assailed

SK2203083795 Seoul CHUNGANG ILBO in Korean 22 Mar 95 p 5

[Article by Political Department reporter Yi Sang-il, from the "Reporter's Diary" column: "Making Vain Efforts in the World Trade Organization Election But Bragging About Them"]

[FBIS Translated Text] Kim Chol-su, the ROK's trade ambassador who had joined in the competition for the post of director general of the World Trade Organization [WTO], has been designated deputy director general. He landed this post in return for the withdrawal of his candidacy in favor of former Italian Trade Minister Renato Ruggiero.

In connection with this, the ROK Foreign Ministry said "this is the best alternative." It assessed itself by saying: "The number of countries that supported Trade Ambassador Kim was less than half those that supported Ruggiero. Nevertheless, we were able to increase the number of deputy director general positions from three to four, and Trade Ambassador Kim took that fourth post. This is a significant diplomatic success."

The Foreign Ministry added that this success is the result of its "dexterous diplomacy." It explained Seoul had taken advantage of the practice of electing the director general by consensus, and had not made any concessions until the EU [European Union] first made concessions through U.S. arbitration.

It also explained that the ROK received substantial gains by taking the post of deputy director general. Of course, this makes sense.

We are disgusted, however, by the Foreign Ministry's bragging. The government exaggerated the chances for Ambassador Kim's election as director general.

Indirect tallies had intermittently disclosed which countries supported which candidates. Each time, the number of countries that supported Ambassador Kim was far less than those that supported the leading candidate. This meant it was clear Ambassador Kim would not become director general. Still, the Foreign Ministry claimed his chances were good.

It may now say that was a campaign strategy. The ministry, however, led people to have much hope for the election. The ministry misled the people, even though anyone outside the country clearly knew Kim's chances were slim.

This is why some people point out that the government exaggerated his chances as a ploy to deflect domestic criticism for the Uruguay Round negotiations.

In many respects, the government was again made use of by the United States. The United States at first supported Salinas of Mexico, then, when he withdrew his candidacy, for a long time did not disclose which candidate it supported. Washington made the EU, its most important competitor, anxious by spilling stories about a need to field a third candidate.

Though knowing very well from the beginning that the United States would not support us, we entertained false expectations. We counted our chickens before they were hatched.

Consequently, the United States used the ROK as a best man to keep the EU in check, and received assurances for the next director general position. This is like catching carp by using shrimp as a bait. We call for globalization. This will not be the last time the government, not knowing our place in the world, leads people to entertain erroneous expectations, however.

Nevertheless, the Foreign Ministry is bragging as if it brought about great achievements. This is truly ugly.

'News Analysis' Views ROK Race for WTO Post

SK2203102395 Seoul YONHAP in English 1010 GMT 22 Mar 95

["News analysis" by Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—The nine-month race for the top administrator of the World Trade Organization (WTO) virtually ended when the United States officially announced Tuesday [21 March] its decision to back former Italian Trade Minister Renato Ruggiero as the WTO chief and South Korea accepted a compromise offer to make Kim Chol-su a deputy director general in return for withdrawing his candidacy for the WTO chief's post.

South Korean officials insist that they did their best in the lengthy competition with the world's major economic blocs, the European Union (EU) and the United States, which backed Ruggiero and former Mexican President Carlos Salinas respectively.

"It was our second best choice to accept the post of a WTO deputy director general amid a growing sentiment that South Korea was hampering a smooth launch of the world's major trade organization by refusing to give in to Ruggiero, who had nearly double the votes, unofficially, to those of Kim Chol-su," they claimed.

They do not hesitate to add that the country has already achieved its goal of projecting the image of one trumpeting the cause of bridging the gap between developed and developing countries in international trade.

They say it is a remarkable achievement for the country to have staged an election campaign for the past nine months vis-a-vis traditional European and American hegemony over major international trade and financial bodies.

The General Agreement on Tariffs and Trade (GATT) and International Monetary Fund (IMF) have been headed by Europeans and the World Bank by Americans for several decades.

For South Korea, the campaign was evidently an uphill battle in the face of the traditional western hegemony over the world economy, but it managed to solicit support from over 30 countries, mostly Asian and African states.

The officials noted that Kim will assume the highest post, so far, in an international body as a South Korean national, adding that such a ranking post could not have been awarded to the country if Seoul had not put up Kim as a candidate for the WTO chief and the campaign was not staged in an efficient way to the very last minute.

South Korea's aspiration for the top WTO post was aborted when U.S. Trade Representative Mickey Kantor telephoned Foreign Minister Kong No-myong early Tuesday to offer a WTO Appeals Committee chairmanship as an alternative post for Kim Chol-su, according to the officials.

Realizing that Kim had slim chances of being selected as the WTO's top post when the EU and the United States joined forces, Kong counterproposed that the United States guarantee the creation of a senior deputy director general's post for Kim, they said.

Kantor then reportedly proposed to establish a new deputy director general's post instead of a senior deputy director general's for Kim. The Korean officials were apparently satisfied that the world's major economic body came up with a new post for a South Korean national, although the WTO claims that it needed the new post to deal with growing workload.

"Although some African countries showed displeasure with the behind-the-scenes negotiations among South Korea, the United States and the European Union, Australia, Japan and many Asian countries, which strongly supported Kim during the campaign, showed sympathy with the decision by the Seoul government to withdraw from the race," an official said.

Foreign Minister Kong personally phoned officials in Japan and Australia to seek their understanding on the matter and South Korean embassies in countries which supported Kim are contacting officials there, he said.

Ministry officials said the African countries showing strong displeasure with South Korea's withdrawal from the race for the WTO's chief post in return for the post of a new deputy director general are mostly backers of Ruggiero, adding that the African states may be voicing their opinions for the formation of the next-term secretariat of the WTO after Ruggiero.

The Africans actually have completely isolated themselves from the current secretariat, which will have a European director general, two deputy director generals each from the American continent (the United States and Mexico) and Asia (South Korea and India).

The outrage from some African states, however, will not reverse the trend, officials said.

As for the United States, they have actually gained the most by using Kim as a lever to persuade the EU to accept a U.S. proposal that the EU guarantee that the next WTO director general will not be a European and that the term of Ruggiero be restricted to only one four-year term.

The United States actually was at a loss when Carlos Salinas, whom it had strongly supported, withdrew his candidacy for his alleged involvement in a political murder during his tenure as president of Mexico.

Dismissing reports critical of the government's decision to have Kim Chol-su retreat to the post of a deputy director general, Assistant Foreign Minister for Economic Affairs Son Chun-yong said that Kim will be the most qualified person to take up the post because nobody raised doubts about his eligibility for the top post of the WTO during the nine-month campaign period.

"Any post, especially in international organizations, could have more meanings than originally intended when a qualified person takes it up and exercises full capabilities," said Sun.

Another official observed that the post of a deputy director general would be helpful for the country to play a more active role in the formation of a new world trade order led by the WTO.

Trade Ambassador Kim will have chances to materialize his trumpeted motto of bridging the gap between the world's advanced and developing countries as the deputy director general.

The country, for the most part, took up the additional burden of embodying the principle of free trade envisaged by the WTO more rapidly than expected as the main player of the world's economic body.

One of the main reasons for the United States to have refused to endorse Kim as the WTO chief was what they called protectionist inclination of the country in international trade, especially during the years-long negotiations for the formation of the WTO as a substitute for the General Agreement on Tariffs and Trade.

Dollar 'Plunge' to 768 Won per Dollar Reported

SK2203042395 Seoul YONHAP in English 0222 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—The U.S. dollar plummeted to the 768-won level against the Korean won on a selling spree here Wednesday morning.

The market opened with the dollar trading at 771.50 won, down 1.40 won from the previous day's average price, or the basic rate for Wednesday. The plunge went on, reaching 769 won at 10:09 AM [0109 GMT] and 768.90 won at 10:39.

The U.S. currency's nosedive to 88.90 yen per dollar in Tokyo that morning and local exporting firms' massive sales of dollars for won funds to pay wages on Saturday were responsible for the dollar's plunge, analysts said.

Continued Fall of Dollar Noted

SK2203070995 Seoul YONHAP in English 0649 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—The U.S. dollar continued falling against the Korean won on the foreign exchange market here Wednesday, at one point hitting 765.50 won in the afternoon, down 7.40 won from the day's starting rate of 772.90 won and the lowest since the market average rate system was introduced in March 1990.

The dollar's exchange rate nosedived to 767.50 won just three minutes before the morning session closed and then slightly rebounded to 767.80 won at the close of the morning session.

In the afternoon, it reversed again to hit 765.50 won at 2:11 P.M. [0511 GMT].

The dollar's sell-off in major overseas markets combined with local exporters' massive sales of the U.S. currency for won funds to pay wages Saturday forced the dollar's value to plunge, dealers said.

Foreign Input in Pharmaceutical Complex Supported

SK2203004495 Seoul THE KOREA TIMES in English 22 Mar 95 p 3

[FBIS Transcribed Text] The Health and Welfare Ministry will positively encourage foreign medical and pharmaceutical companies, which have high-end technology, to establish their production plants in an industrial complex now under construction in Osong, North Chungchong Province, officials said yesterday.

"Foreign companies specializing in biotechnology and other competitive pharmaceutical and medical equipment fields, which are all promising industries in the next century, will be attracted to the Osong Health and Medical Science Complex," said a senior official.

Foreign companies which have already established joint venture with local firms will be given priority.

In the view of officials, the setup of their plants in Osong will help domestic manufacturers to catch up with foreign rivals in the same boundary in technological terms at a time when trade imbalance in food, medicines and medical apparatus is widening.

In addition to foreign companies, public and private research institutes and relevant domestic businesses will be admitted to the complex, according to the Osong project.

About 10 million square meters of a tract is being constructed in Osong-ri, Kangoe Township, Chongwon-kun, North Chungchong Province, near which the envisioned Seoul-Pusan high-speed railroad will pass. Some two-thirds of the vast land will be reserved for over 30 local and foreign companies.

The Osong project chiefly aims at improving technological levels of domestic health and medical companies by facilitating exchanges of results of research between institutes and producers. "The attraction of advanced foreign companies will attach fresh momentum to our primary aim," said the senior official.

Detailed terms for the allocation of the site will be determined after it is dedicated in 1997 but they will be much more favorable to foreign companies, according to the officials.

Relations Established With South Pacific Island

SK2203015095 Seoul YONHAP in English 0102 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Diplomatic relations were established Wednesday with the South Pacific Island State of Palau, bringing to 178 the total number of states having diplomatic relations with South Korea, a Foreign Ministry spokesman said.

Special Presidential Envoy Kim Chung-won and Foreign Minister Andres Uherbelau of Palau signed an agreement for the normalization of relations in Koror, capital of Palau, where he visited to draw support for the country's bid to become a non-permanent member of the United Nations Security Council (UNSC), said the spokesman.

Kim will also visit West Samoa and Fiji following his tour of Palau to invite support for the UNSC bid and discuss measures for economic cooperation, said the spokesman.

Situated 1,290 km southwest of Guam, Palau has 17,000 people and 89,740,000 dollars in gross domestic product or 5,684 dollars in per capita GNP.

South Korea exported 787,000 dollars worth of goods to the Pacific state and imported 7,000 dollars in 1994.

Over 50 South Koreans live in Palau working in the construction, catering and tourism industries.

President Kuniwo Nakamura of Palau had expressed hope to normalize bilateral diplomatic relations when South Korea's consul general in Agana, Guam, Pak Kyong-tae visited Palau on Oct. 1 last year to congratulate the country on its independence from the United States trusteeship, said the spokesman.

DLP Decides on Candidates From Former Cabinets

SK2203062195 Seoul YONHAP in English 0530 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—The ruling Democratic Liberal Party (DLP) has decided to select a substantial number of its candidates to run in local elections for administrators' posts from among former senior government officials, including ex-ministers and vice ministers.

DLP Secretary General Kim Tok-yong and DLP's chief organizer Kim Yun-hwan have already started individual contacts with national policy consultants, many of whom have served as cabinet members, to sound out their willingness to run in the elections, ruling party officials said Wednesday.

Particularly considered as prospective DLP candidates in the forthcoming local elections are former cabinet members who hail from Cholla and Chungchong Provinces, where the government party is considered to be politically vulnerable.

Among those now contacted by the DLP are ex-Transportation Minister Son Su-ik hailing from Changhung, former Agriculture, Forestry and Fisheries Minister Ho Sin-haeng from Sunchon, former South Cholla Provincial Governor Chon Sok-hong from Yongam, and former Korea Land Development Corp. President Kim Su-hak from Kyongju.

Former Kyonggi Provincial Governor Sim Chae-hong hailing from Kimpo, former Construction Minister Choe Tong-sop from Namwon and ex-Transportation Minister Yim In-taek from Sunchon are reportedly being tapped by the government party as well.

Such DLP moves draw attention in connection with some civic organizations' drives to encourage former senior public officials, armed with administrative expertise and specialized know-how, to run in the elections.

A senior DLP official noted that President Kim Yong-sam's recent remarks stressing the importance of "an autonomy by local residents" are taken as a call for eliminating politics from local autonomous bodies.

"Accordingly, our party plans to select candidates for administrative chiefs of counties, small cities and wards of larger cities strictly on the basis of their administrative expertise, while placing priority on administrative experts with political capabilities for candidates of larger city mayors and provincial governors," the official said.

"Our party is studying plans to field those people with rich administrative experiences, such as former ministers and vice ministers, as candidates for basic local administrative units so that they may render their last services for their hometowns. This has the advantage of translating into action the pure meaning of a substantive local autonomy," the official added.

The ruling party sees better chances of success in the local elections particularly in North and South Cholla Provinces, in which it regards itself to be vulnerable to the main opposition Democratic Party, if career administrators without political backgrounds are nominated as candidates. As a result, the government party is expected to make concentrated efforts to accommodate former ministers and vice ministers hailing from those provinces.

Commission Makes Public DLP, DP Expenditures

SK2203083995 Seoul YONHAP in English 0808 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—Ruling and opposition parties were very stingy last year in spending money to develop policies despite sharp increases in overall expenditure and their purporting to be "policy-oriented" political parties.

The ruling Democratic Liberal Party (DLP) appropriated a mere 0.4 percent or 700 million won (some 907,000 U.S. dollars) of the total expenditure of 168.7 billion won for policy development in 1994, while the opposition Democratic Party (DP) outlaid 3.8 percent or 590 million won of the total expenses of 16 billion won, according to statistics compiled by the Central Election Management Commission (CEMC) Tuesday [21 March].

Wages were the top expense with 82.5 billion won of the DLP's total outlay and 10 billion won of the DP's.

The ruling party's total earnings registered 207.3 billion won, comprising 17.1 billion won from political contributions entrusted to the CEMC, 13.4 billion won from supporter associations' donations, 11.2 billion won from party fees, 10.6 billion won from state subsidies and 86 billion won from other income sources, the CEMC said.

The opposition party amassed a total income of 17.4 billion won last year, one tenth of the DLP's.

It included 8.4 billion won from government subsidies, 5.2 billion won from party fees and 350 million won from others, the CEMC revealed.

As usual, there were no political contributions destined for the opposition party among those entrusted to the CEMC.

Meanwhile, total assets of the DLP were estimated at 140.9 billion won, while those of the DP at 9.3 billion won or 6.6 percent of the DLP's, the CEMC noted.

Report on Growth of State-Invested Enterprises

SK2203004395 Seoul THE KOREA TIMES in English 22 Mar 95 p 8

[FBIS Transcribed Text] Government-invested enterprises saw their combined net income in fiscal 1994 grow 49.9 percent over the year before to 2,258.8 billion won.

The Ministry of Finance and Economy said yesterday that the 20 state-invested firms improved their business performance significantly thanks largely to the brisk economy last year and restructuring of business management.

This is the first time that their combined net income has broken the two trillion mark.

Their operating profits grew 15.4 percent from 30,898.9 billion won in 1993 to 35,657.6 billion won last year.

However, their combined costs increased 12.1 percent or 3,437 billion won to 31,893.3 billion won.

The Korea Development Bank recorded the largest net income growth rate of 283.1 percent, followed by the Korea Security Printing and Minting Corp. with 246.3

percent, Industrial Bank of Korea with 174.6 percent, Korea Mining Promotion Corp. with 158 percent, Korea Electric Power Corp. with 211,341 million won, Korea Gas Corp. with 145,693 million won, and Korea National Housing Corp. with 130,741 million won.

The Korea Development Bank's net income grew from 26,836 million won in 1993 to 102.806 million won in 1994. The Industrial Bank of Korea's net income grew from 15,295 million won to 4,200.1 million won. The Korea Housing Bank saw its net income increase from 32,275 million won to 62,443 million won.

KEPCO enjoyed the largest net income at 881,829 million won, followed by Korea Telecom with 627,051 million won, Korea Tobacco and Ginseng Corp. with 211,341 million won, Korea Gas Corp. with 145,693 million won, and Korea National Housing Corp. with 130,741 million won.

The combined net income of KEPCO and Korea Telecom was 1,227 billion won, more than half of the total net income recorded by the 20 state-invested enterprises.

The government received 141 billion won as dividends from the government-invested firms. Eleven firms failed to distribute dividends last year due to their sluggish business performance.

Such firms as the Korea Trade Promotion Corp. (KOTRA), Agricultural and Fishery Marketing Corp. and Korea National Tourism Corp. suffered a sharp drop in their net income last year.

KOTRA's net income dropped 100 percent to 100 million won. The Agricultural and Fishery Marketing Corp. saw its net income fall 74 percent to 1.3 billion won. The Korea Water Resources Development Corp.'s net income dropped by 68.2 percent to 48 billion won.

Government Urges 1995 Wage Increases, Incentives

SK2203073195 Seoul YONHAP in English 0717 GMT 22 Mar 95

[FBIS Transcribed Text] Seoul, March 22 (YONHAP)—The government announced Wednesday [22 March] guidelines for labor-management wage negotiations for this year, pegging wage raises ranging from 5.6 percent to 8.6 percent, or an average of 7.1 percent.

Labor Minister Yi Hyong-ku told reporters the guidelines are based on a plan drafted by a group of labor economists, as it deemed fit for the present state of the economy, noting the wage raise plans prepared by labor and management are widely asunder.

The guidelines will be distributed to 45 regional labor offices within the week so that they may use them as criteria in guiding industrial establishments that use collective bargaining on wage hikes.

Stressing the need to narrow wage gaps between large and small businesses, Minister Yi said the government would see to it that large firms with monthly wage levels above the national average of 1.1 million won will be persuaded to increase their wages by 5.6 percent to 7.1 percent and small firms with lower wage levels will be encouraged to effect an increase of 7.1 percent to 8.6 percent.

Companies employing more than 100 workers will be encouraged to complete wage raise negotiations two months before last year's labor contracts expire.

Yi said the government's wage policy this year would focus on productivity-based wage hikes, the introduction of incentive systems, an improved bonus program and an active role of the central labor-management council in wage negotiations. dd

Brunei, Malaysia & Singapore

Brunei

Foreign Minister Receives Thai Counterpart

BK1703145495 Bangkok Radio Thailand Network in Thai 0000 GMT 17 Mar 95

[FBIS Translated Text] Foreign Minister Dr Krasae Chanawong is currently on an official visit to Brunei to get acquainted with its leaders.

Brunei will be chairman of the ASEAN Standing Commmittee and host the meeting of ASEAN foreign ministers in July.

During the visit on 16 and 17 March, the Thai foreign minister was given audiences with the Sultan and Foreign Minister Prince Mohamed Bolkiah of Brunei. The two Brunei leaders asked the Thai foreign minister about the ailment of his majesty the king. After being informed that his majesty the king's condition has much improved, the sultan of Brunei wished his majesty the king good health.

The sultan of Brunei thanked Thailand for its technical assistance. He said his country still wants to import more Thai labor and is impressed by the excellent quality of Thai workers now working in Brunei.

Malaysia

Foreign Minister on SRV ASEAN Membership

BK1703132495 Kuala Lumpur Voice of Malaysia in English 0600 GMT 17 Mar 95

[FBIS Transcribed Text] ASEAN member countries look forward to welcome Vietnam as a full member of the grouping in the coming 28th ASEAN ministerial meeting at Bandar Sri Bangawan, Brunei Darussalam in July. Apart from that, it is hoped that Laos would also join ASEAN in the near future and perhaps followed by the other Southeast Asian countries.

Foreign Minister Datuk Abdullah Ahmad Badawi says ASEAN has so far accorded the two countries observer status at ASEAN meetings.

The grouping has also extended to them cooperation in the areas of science and technology, environment, culture and information, public health, drug, human resources development and tourism.

Datuk Abdullah was speaking at the opening of a month-long English program for Laotains and Vietnamese public service officials in Kuala Lumpur.

Singapore

Premier Goh's Visit to Philippines Postponed

BK1903142195 Singapore Radio Corporation of Singapore in English 1100 GMT 19 Mar 95

[FBIS Transcribed Text] Prime Minister Goh Chok Tong's official visit to the Philippines next month has been postponed. A statement from the Foreign Ministry says the Singapore Government has agreed with the Philippine Government that the visit be postponed to a date to be confirmed later. Mr. Goh was scheduled to make an official visit to the Philippines from 10 to 12 April at the invitation of President Fidel Ramos.

Protest Lodged With Philippines on Flag Burning

BK2103120795 Singapore Radio Corporation of Singapore in English 1100 GMT 21 Mar 95

[FBIS Transcribed Text] The Singapore Government has lodged a strong protest with the Philippine Government over the burning of the Singapore flag in Davao city by a Filipino yesterday.

In a statement the Foreign Ministry said the mayor of the city, Mr. Rodrigo Duterte, was present at the burning. It added Singapore is shocked and outraged that the mayor allowed the flag burning to proceed. This rash and senseless treatment of the national flag cannot be condoned.

The statement called on the Philippine Government to investigate the matter and bring those responsible to justice. It has also sought the assurance of the Philippine Government that such an incident will not occur again.

The protest was formally handed over to the Philippine ambassador to Singapore, Alicia Ramos, who was summoned to the ministry today.

Indonesia

Suharto: Yen Surge Increases Yen-Loan Burden

OW2103094895 Tokyo KYODO in English 0906 GMT 21 Mar 95

[FBIS Transcribed Text] Jakarta, March 21 KYODO—Indonesian President Suharto expressed concern Tuesday [21 March] that the yen's recent sharp advance is making yen-denominated loans to Indonesia more difficult to repay, Japanese officials said.

Suharto made the remarks during a meeting with a Japanese business delegation led by Tetsuro Kawakami, chairman of the Kansai Economic Federation (Kankeiren), who is also chairman of Sumitomo Electric Industries Ltd., they said.

The president told the group that the recent sharp gain in the value of the Japanese currency is resulting in more money needed to pay off yen-denominated loans, prompting Indonesia to expand exports to Japan.

Touching on the upcoming summit meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November, the Indonesian president said the APEC leaders are expected to discuss regional cooperation in trade liberalization, including gradual tariff cuts and fostering of smaller enterprises, they said.

The mission of business leaders from western Japan is in Jakarta on the last leg of an 11-day visit to Southeast Asia after visiting Malaysia, Thailand and Singapore. These four countries are all members of the six-nation Association of Southeast Asian Nations (ASEAN) which also includes Brunei and the Philippines.

Army To Send Engineering Battalion to Bosnia

BK2203050595 Jakarta REPUBLIKA in Indonesian 18 Mar 95 p 11

[FBIS Translated Text] Bandung—General R. Hartono, chief of staff of the Indonesian Army, has said that the Army is to dispatch one engineering battalion to Bosnia-Herzegovina. Gen. Feisal Tanjung, commander of the Armed Forces of the Republic of Indonesia [ABRI], instructed the Army to make the necessary preparations.

The Bosnian Government requested Indonesia to send the engineering battalion to Bosnia-Herzegovina during President Suharto's visit to Sarajevo, capital of Bosnia-Herzegovina.

Speaking after installing Major General Tayo Tamadi as new commander of the Third Siliwangi Military Region to replace Maj. Gen. Muzani Syukur at the Siliwangi Stadium, Bandung, on Thursday, the army chief of staff expressed the Army's readiness for the dispatch. "The Indonesian Army is making the preparations following the instruction from the armed forces commander," Gen. Hartono told REPUBLIKA.

According to Hartono, the preparations are still at the organizational stage with the selection of personnel under way. One engineering battalion will be sent there. "There is one battalion. The battalion is not an infantry one, but it consists of construction and other companies," he said.

The number of personnel in one battalion ranges from 300 to 1,000. Infantry battalions assigned for combat operations are usually the largest.

The preparations will take into account the scope and nature of future tasks in Bosnia-Herzegovina. Gen. Hartono regarded as positive the Bosnian Government's request for one Indonesian engineering battalion. He said that the dispatch would certainly not disrupt the Army's readiness at home.

Gen. Hartono, however, was unable to say when the engineering battalion would leave for Bosnia-Herzegovina. According to him, there have been no clear indications yet except for the instruction from the armed forces commander. "There have been no indications yet when they will leave," he said.

REPUBLIKA reported on Thursday that Indonesia would send one engineering battalion to Bosnia-Herzegovina. If the plan is realized, the battalion will be the third ABRI unit to serve in Bosnia-Herzegovina. Military observers were on a six-month duty in Bosnia-Herzegovina earlier and a medical battalion from the Army Strategic Command is now serving with the United Nations Protection Force along the Croatian-Bosnian border.

Nevertheless, the dispatch of the engineering battalion must be first approved by the United Nations.

The future tasks of the ABRI engineering battalion in Bosnia-Herzegovina remain uncertain. They are likely to clear various land mines planted by the Serb forces.

Replying to REPUBLIKA, the army chief of staff was, however, unable to confirm its future tasks. "They may not clear land mines. We must consider the situation in the areas where the land mines are planted. Otherwise, we will become the victims," Hartono said.

Hartono said that the preparations were clearly under way. "We are now looking at the capabilities of our personnel. The situation there will determine what they will do," he stated.

Where will they be deployed? Hartono said: "Where the battalion will be deployed and who will lead it is not clear yet," he said.

Investment Minister Meets Taiwan Businessmen

BK2203022095 Jakarta KOMPAS in Indonesian 18 Mar 95 p 2

[FBIS Translated Text] Taipei, KOMPAS—Taiwan businessmen grouped in the Taiwan Chamber of Commerce continue to view Indonesia as a major investment destination, but that country's high interest is hampered by Indonesia's inadequate infrastructure, expensive electricity rates, and the slow issuance of permits in rural areas. The businessmen lodged this complaint with Sanyoto Sastrowardoyo, investment affairs minister and concurrently chairman of the Investment Coordinating Agency, who was visiting Taipei on Friday (17 March) on an investment promotion mission.

KOMPAS correspondent Banutono quoted a Taiwan businessman involved in manufacturing as saying that Indonesia is improving a lot in terms of investment procedures, especially since the enactment of new economic deregulation policies which allow foreign investors to own up to 95 percent of total equity. However, Indonesia's electricity is considered too expensive as electricity is an important component in the manufacturing industries. Besides, infrastructure facilities in several key industrial estates are still inadequate for production activities and this has created problems for them. The businessman said the greatest obstacle is the slow issuance of permits when they urgently need permits to start operations immediately. The businessman also hopes that the Indonesian Government will introduce tax holiday [two preceding words in English] system for the first two or three years of a foreign investor's operations as China, Vietnam, and other Asian countries are doing.

Responding to the complaint, the investment affairs minister said he is ready to implement new measures aimed at attracting more foreign investment. Speaking on a separate occasion, the minister said the slow issuance of permits in rural areas is caused by local officials' awkward situation where they cannot make decisions. "These people say they still need approval from officials at higher levels. This brings about a delay in issuing permits. Indeed, this is a serious problem which must be solved soon," he said.

Nevertheless, the minister continued to paint a rosy picture of the investment climate in Indonesia, especially in supporting Taiwan's key industries which are already burdened by high operating costs due to high labor costs. Taiwan businessmen said blue-collar workers in that country are paid between 1.2 and 1.5 million rupiah a month. The salary for skilled workers and middle level managers is of course higher. Therefore, it is impossible for Taiwan to maintain its industries in their own land. Indonesia should use this situation to ask Taiwan to relocate its industries in our country.

During his meeting with Taiwan businessmen, the investment affairs minister asked them to relocate their supporting industries in Indonesia. The proposal is in fact in line with the Taiwan Government's own Go South Policy [three preceding words in English], aimed at improving diplomatic ties with other countries in an informal way.

Several major investment opportunities include the construction of industrial estates by Taiwan investors themselves so as to accommodate the relocation of their industries.

In the seminar attended by more than 150 Taiwan businessmen, Sanyoto reiterated the government's determination to attract the private sector's participation in constructing infrastructure projects such as expressways, ports, telecommunications, power plants, and potable water facilities.

He said Indonesia wants to increase its telephone lines from three million to eight million in the sixth Five-Year Development Plan at the cost of U.S.$6 billion. Power supply must also be upgraded by 60 percent from 22,000 megawatts to 36,000 megawatts with an investment of U.S.$7.8 billion.

A total of 10,000 km of highways, including 310-km expressways, must be built, and with the expansion of other transportation projects, this will need an investment of U.S.$13 billion. The construction of potable water facilities for 22 million people will cost U.S.$7.8 billion.

"Indonesia urgently needs to build these infrastructure projects to support its economic growth, expected to reach 6.2 percent annually," he said.

The minister also reminded Indonesian businessmen that Taiwan is serious about expanding its investments in Indonesia. This is reflected from Taiwan's investment value in Indonesia, which stands at U.S.$7.61 billion with 360 projects and ranks fifth among foreign investors.

"Taiwan has great potentials to boost investment growth in Indonesia. The impact of Taiwan's high investment interest in Indonesia can be seen from the increased bilateral trade of not only nonoil and nongas, but also oil and gas products," he said.

ABRI Regional Leader To 'Weed Out' Rioters

BK2203024995 Jakarta SUARA KARYA in Indonesian 20 Mar 95 p 6

[FBIS Translated Excerpt] Dili, (SUARA KARYA)—The commander of the East Timor 164/Wira Dharma Regional, Colonel (Infantry) Kiki Syahnakri stressed that the ABRI [Armed Forces of the Republic of Indonesia] will totally "weed out" those who cause riots and unrest in his territory. Speaking at a press meeting in Dili on Sunday [19 March], he said: "I will totally weed out those responsible for fomenting within the community actions, which could lead to disruption of the peaceful situation. Therefore, do not make any effort to disrupt the existing peaceful, stable and secure situation in this region."

For the sake of maintaining security, the ABRI will not hesitate to take punitive action against anyone who cause riots and destruction, particularly within the small community. He said: "The action that I will take will be in accordance with Indonesia's existing laws and regulations. These laws will not be abused."

Concerning the "ninja" case, he said: "With regard to the recent ninja issue, the district's anti-integration group leaders stated that the rioters who wore ninja-style masks were actually members of the security apparatus and pro-integration supporters. In fact, when the rioters were arrested, it was found that they belonged to the anti-integration group while some of them were leaders of the 12 November 1991 incident."

He said 37 persons were arrested for spreading rumors on the ninja issue. Sixteen of them were expeditiously tried in court while action against five of them was deferred. The rest were released.

He said: "The security situation in this district has returned to normal. There are no riots or disturbances anymore. However, I call upon all members of the community, including community and church leaders as well as those in the education sector in this district, to jointly and continuously maintain harmony and safeguard the existing peaceful situation." [passage omitted]

Editorial Criticizes Government Nepotism

BK2203020395 Jakarta REPUBLIKA in Indonesian 18 Mar 95 p 6

[Editorial: "Getting Rid of Nepotism"]

[FBIS Translated Text] The inspector general of the Home Affairs Department, Sudarjat Nataatmaja, has issued a memorandum unlike any written before. The memorandum, issued to all heads of district administration, reads: A reminder against the practice of nepotism (REPUBLIKA, 17 March). "If nepotism is not abolished the internal supervisory method cannot be implemented," Sudarjat said in his unique memorandum.

The memorandum was a reaction to the discovery by the Financial and Development Supervisory Board (BPKP) last month that up until the second quarter of the 1994/95 fiscal year, 906 percent of the government fund had been embezzled. Later, the Attorney General provided the details showing that there were a total of 358 cases, out of which the amount of losses for 212 had been accounted for about 1.2 trillion rupiah. The BPKP chief said that seven government agencies had been categorized as big "embezzlers". The Attorney General said first on the list was the Department of Home affairs with 106 of its senior officials involved in corrupt practices.

The inspector general concluded that one of the main causes for the embezzlement—if not the sole cause—was the massive practice of nepotism by coordinating officials under the Ministry of Home Affairs throughout Indonesia. It is easy for one to think that nepotism is the cause of the misuse of government funds which can take place through a mechanism that is related to various aspects such as the over simplifying of problems.

We have been reminded that the concentration on nepotism could make people turn a blind eye to other important factors. We are glad that this was cited by an institution that had been created to carry out internal supervision. The fact that there was a need for the inspector general to issue such a memorandum that would likely become a controversial issue, reflected the massive practice of nepotism among bureaucrats under his supervision even though accurate data is not available.

But why is nepotism seen as something damaging? Nepotism originated from the English word nephew [preceding wording in English]. The practice is highly criticized because of the tendency to ignore all conditions—membership or morals, and so on—in appointing an official to hold a certain position.

As cited by the inspector general, one of the negative implications of nepotism is the lack of strict supervision, and it became impossible to implement reliable methods of internal supervision to check on minimal corrupt practices by subordinate officials.

A senior official would be hesitant to take action against his subordinate for corruption because the junior official is his nephew, his wife's younger brother, his parent-in-law's adopted son, and so forth. The culprit would probably not think twice about taking advantage of his position because even if it became known there will be no disciplinary action against him because one of the persons in high authority in the office is his uncle or his father-in-law's younger brother.

Eventually, the required mechanism of a bureaucracy and one that could rationally be relied upon will become complicated and difficult to comprehend. The most important thing is not to allow any chance for nepotism to be practiced either in the fields of politics, law, or economy.

But is there anyone—and someone—brave enough to continuously campaign and take action against the massive practice of nepitism to eradicate it?

Philippines

PRC Activity in Spratlys Islands Reported

Senator Reports 'Intrusions'

BK2203062795 Quezon City MALAYA in English 19 Mar 95 pp 1, 6

[Report by Virgilio Bugaoisan and Luisa Garcia]

[FBIS Transcribed Text] China has again intruded into parts of the Kalayaan Group of Islands, Sen. [Senator] Rodolfo Biazon said yesterday.

Biazon said military intelligence reports showed the intrusions, committed in the past three weeks, were accompanied by the placing of perimeter markers on two small islands, the Jackson Atoll and the Half-Moon Reef.

"The Chinese are continuing to expand the occupation. The national government should look into this and show determination to hold on to our position," he said.

Biazon said Half-Moon Reef is barely 60 miles off Palawan, nearer than the Pag-asa Island, which is the only island in Kalayaan inhabited by Filipinos.

This occurred as the Ramos administration announced that it will meet with officials of China and other countries with claims over the Spratly Islands in June.

The meeting will tackle a proposal on joint management and stewardship of the territory. The other countries claiming parts or whole of Spratlys are Brunei, Vietnam, Malaysia, Indonesia, and Taiwan.

Biazon said aside from introducing markers, the Chinese were undertaking construction work on the two islands.

Defense Secretary Renato de Villa confirmed the presence of the markers, but said the Navy had removed them upon discovery.

Biazon said the Chinese fishermen who reportedly put up the structures were actually Chinese naval personnel in disguise.

Rep. [Representative] Alfredo Abueg (Lakas [Lakas ng Bansa—Power of the Nation], Palawan) said the June meeting is meant to ease the diplomatic strain which developed between China and the Philippines following reports last month that China had deployed troops and vessels and set up structures on Panganiban Reef, which is being claimed by the Philippines.

Abueg said there is a high-level discussion on the possible adoption of the "joint management and stewardship" strategy proposed by the Philippine Government.

Under the proposal all claimant countries may be considered beneficiaries of the natural resources in the island.

"In other words, all claimant countries in the island will be considered as 'caretaker'," Abueg said.

Structures Seen on 3 Islands

BK2103120495 Manila PHILIPPINE DAILY INQUIRER in English 19 Mar 95 p 2

[FBIS Transcribed Text] Filipino fishermen have again reported the presence of structures, supposedly Chinese-made, in the Spratlys Island Group, a report downplayed by the military high command.

Armed Forces Chief of Staff Gen. Arturo Enrile told reporters they are still trying to verify the reports, which are based solely on accounts of fishermen who went into the area.

According to the unverified reports, the new "installations" were seen in three islands in the Kalayaan Island Group—Jackson, Atoll Reef, and Half-Moon Reef.

The said islands are said to be within 60 miles from Palawan.

The Philippine and Chinese Governments have been at loggerheads over the island group.

Talks between China and the Philippines are scheduled to start today in Beijing.

Reportage on Singapore Flag-Burning Incident

Flag Burned at Protest Rally

BK2103034995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 20 Mar 95

[FBIS Translated Text] Demonstrations on behalf of Flor Contemplacion [maid executed in Singapore] continue to condemn the plight of OCW's [overseas contract workers] working for Singaporeans. In Davao City, Mayor Rodrigo Duterte led a protest rally, where he burned the Singaporean flag to show his anger following the death of Contemplacion at the hands of the Singaporeans. He said he will not allow Singaporeans to do business in Davao. According to him, they will boycott Singaporean products. Moreover, two other elected officials in Mindanao expressed support for the boycott. Mayor Pablo Magtahas of Cagayan de Oro City and Governor Vicente Emano of Misamis Oriental expressed their support for the boycott of Singaporean products.

Singapore Protests

BK2203024295 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 21 Mar 95

[FBIS Translated Text] Singapore yesterday protested the burning of its flag at a rally in Davao. In a statement, the Singapore Foreign Ministry asked DFA [Department of Foreign Affairs] officials to investigate the flag-burning incident. The statement added that Singaporeans are angered at the burning of their flag as Davao City Mayor Rodrigo Duterte looked on.

At the same time, Malacanang is displeased with the statement of the Singapore Government. In this regard, Executive Secretary Teofisto Guingona and Foreign Secretary Roberto Romulo summoned Singaporean Ambassador (Tang Seng Che) last night to explain the controversial statement. Romulo said that the government can never restrict democracy in the Philippines and it cannot curtail the freedom of the citizen who burned the flag to express his sentiments. However, Romulo assured that the government will punish any Filipino found guilty of mauling any person.

Romulo Rules Out Apology

BK2203110695 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 22 Mar 95

[FBIS Translated Text] The government will not apologize to Singapore for the burning of its flag in Davao City. This was emphasized by Foreign Affairs Secretary Roberto Romulo. According to Romulo, he does not see any reason why the Philippines should apologize to Singapore.

It will be recalled that Romulo summoned Singapore's ambassador to the Philippines last night to convey the government's reply to Singapore's protest.

Romulo said the choice of language used by Singapore in its protest is dismaying, as it did not consider the feelings of Filipinos in relation to the hanging of Flor Contemplacion.

[Begin Romulo recording in English] The situation categorically, we will not, ...we will not give up our right to freedom of speech, and I think that was clear, ...quite clear to the Singaporean ambassador. And in that context, apologies were not appropriate. [end recording]

Ramos on Response to Contemplacion Execution

BK2203101395 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 22 Mar 95

[FBIS Translated Text] President Ramos today urged the Singaporean Government to provide protection to Filipinos who continue to work there.

During his Malacanang press conference, the president said that although the nation is still emotional about what happened to Flor Contemplacion in Singapore, no

Singaporean national has been hurt or maltreated here since the hanging of Contemplacion.

In this regard, Ramos reported his government's decision to temporarily suspend the deployment of domestic workers to Singapore until the two countries have reached a mutual agreement that will provide appropriate protection to Filipino workers. The government is also preparing a travel advisory for Filipinos traveling to Singapore.

The Overseas Workers Welfare Administration will establish a legal defense fund, and 10 million pesos will be used to finance legal action to defend Filipino overseas contract workers facing charges in foreign countries.

The president has ordered the Department of Foreign Affairs to recall Philippine Ambassador to Singapore Alicia Ramos and for a temporary charge d'affaires appointment in Singapore to give way to the investigation of the Contemplacion case.

Ramos has canceled the scheduled trip of General Arturo Enrile, Armed Forces chief of staff, to Singapore from 29-31 March to meet with his counterpart Lieutenant Gen. (Nam Gim Bing).

Ramos has deferred the scheduled Philippines-Singapore naval exercise in April until the row between the two countries is resolved.

The president has recommended that Congress hold a special session to immediately take up the Overseas Workers Code passed by the lower house.

Ramos said that he is ready to cut diplomatic relations with Singapore if it is proven that there was no justice in the Contemplacion case. This was Ramos's message during a speech marking the Philippine Army's 98th anniversary at a ceremony held at Fort Bonifacio.

The president said he was dismayed by the kind of language used by the Singaporean Foreign Ministry in the verbal note presented in conjunction with its protest regarding the flag-burning incident in Davao City.

Ramos stressed that the Philippines should not be considered a country of cowards for its failure to stop the hanging of Flor Contemplacion.

[Begin Ramos recording in English] Yet with this equally [word indistinct] evidence to show Contemplacion was indeed the victim of injustice of another country. Then let me say (?to you now), we stand ready to sever our relationship with that country. [end recording]

Thailand

Chuan on Cambodian Foreign Minister's Visit

Discussed Border Situation

BK2103154495 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 21 Mar 95

[FBIS Translated Text] The Cambodian foreign minister, who is on a visit to Thailand to meet with his Thai counterpart, has said that his prime minister will come to Bangkok at the end of this month during when he will meet with the Thai prime minister particularly on the murder of some 20 Thais several months ago.

Cambodian Foreign Minister Ing Huot paid a courtesy call on Prime Minister Chuan Likphai at Government House. He thanked the Thai Government for assistance during the Cambodian election. He expressed concern about the Khmer Rouge near the Thai-Cambodian border but expressed confidence that both sides in the joint commission will help each other to solve the problem. On the murder of 22 Thai loggers in Cambodia near the temporary border crossing point at An Ma Pass several months ago, the Cambodian foreign minister asserted that it was the work of the Khmer Rouge. He said Prime Minister Hun Sen will bring a report explaining the incident to the Thai Government during his visit to Thailand in the latter part of this month.

Committed to Relations

BK2203131995 Bangkok BANGKOK POST in English 22 Mar 95 p 7

[FBIS Transcribed Text] Thailand is committed to seeing peace and prosperity in Cambodia and is ready to help it in every way possible; any problems between the two neighbours can be resolved peacefully, Prime Minister Chuan Likphai said yesterday.

"We share more than 800 kilometres of common border. We must do the best we can. Any problems which occur are normal between neighbours with a common border, and can be resolved," he said.

Mr Chuan was speaking during a courtesy call by visiting Cambodian Foreign Minister Ing Huot at Government House yesterday.

For his part, Mr Huot said he is confident that Cambodia and Thailand can develop closer ties and cooperate in the post-Cold War era even though they have had problems in the past.

He said Cambodia wants to learn from Thailand's experience of development and asked for Thai assistance in the reconstruction of the country, according to Government Spokesman Akkharaphon Sorasuchat.

Mr Huot began a three-day official visit to Bangkok yesterday as guest of the Foreign Ministry, for the first trip since his appointment last September.

Relations between the two neighbours have been strained recently because of a number of border incidents that are still unresolved.

The most important of these is the massacre of 22 Thai timber workers in Preah Vihear last November. The Cambodian Government said the Khmer Rouge was responsible—they are known to be active in the area—

but has yet to provide concrete evidence or to identify the culprits. The issue was not raised during the courtesy call.

Mr Huot told reporters that Second Prime Minister Hun Sen, who is due in Bangkok on an official visit next Wednesday and Thursday, will bring with him a "full report" on the investigation into the massacre.

"We will leave it to Mr Hun Sen to come and confirm that we are certain it's the work of the Khmer Rouge," he said.

Mr Akkharaphon quoted Mr Chuan as saying he believes border incidents will gradually disappear with the economic development of Cambodia.

Both Mr Chuan and Mr Huot agree that the border coordination committee between the two countries will serve as a key instrument in resolving incidents, including Khmer Rouge activities along the border.

Mr Hun Sen is expected to officially announce the establishment of the committee when he visits later this month.

Mr Akkharaphon said the Khmer Rouge issue was raised during the courtesy call, quoting Mr Huot as saying the Cambodian Government did not consider the guerrillas to be a major problem.

Mr Huot told reporters he called for Thai cooperation against the Khmer Rouge, which he said controlled five per cent of Cambodian territory, some of it bordering on Thailand.

"They're armed. It's not easy. If we (Cambodia and Thailand) can agree, we'll work together to get them," he said.

He said Cambodia is satisfied with Thai cooperation on the Khmer Rouge, citing a letter by Mr Chuan to provinces bordering Cambodia to cut all ties with the guerrillas.

Mr Akkharaphon said Mr Huot has sought Thai support for the early admission of Cambodia into the Association of Southeast Asian Nations, and thanked Thailand for its role in bringing about a peaceful settlement in Cambodia after decades of conflict.

Mr Huot is scheduled to hold talks with his Thai counterpart Krasae Chanawong today.

Meanwhile, the Cabinet yesterday approved a proposal for Prime Minister's Office Minister Sawit Phothiwihok to sign an agreement for tourism cooperation with Cambodia.

The agreement, to promote tourism in both countries for the next five years, will be inked on March 29 at Government House during the official visit by Mr Hun Sen.

Chuan: Burma Rejects Mediation in Conflict

BK2103141295 Bangkok Radio Thailand Network in Thai 1200 GMT 21 Mar 95

[FBIS Translated Text] Prime Minister Chuan Likphai has instructed the Ministry of Foreign Affairs and the Ministry of Interior to regularly report to him about the fighting situation along the Burmese-Thai border in Mae Sai District, Chiang Rai Province, particularly on any incidents affecting public security. The prime minister disclosed that no violent fighting has recently been reported along the border in Mae Sai District and that the general situation there has remained calm.

[Begin recording] [Chuan] As of now, the situation there has returned to normal. The border checkpoint has been reopened. Interior Ministry officials told me that no adverse effects have occurred there. Nevertheless, I have instructed them to remain alert, especially regarding the security of our people along the border.

[Unidentified reporter] What do you think about the current suppression drives launched by the Burmese Government against the ethnic minority groups, while some Western countries have noted that the Burmese Government has received weapons from a certain country to carry out its operations? What should Thailand say about some of the adverse effects on us?

[Chuan] I understand that it is the question of the Burmese Government making its stand known in dealing with some ethnic minority groups that have refused to participate in the negotiation process [with the Burmese Government]. Regarding the conflicts between the Burmese Government and the ethnic minority groups, the Thai Government will support any negotiation aimed at ending such conflicts. However, there are a few groups that have refused to hold negotiations, namely the Khun Sa and the General Bo Mya groups. All this is their internal affair, and we have no right whatsoever to intervene. What we can do is remain vigilant not allow any sides to use our territory as bases for fighting one another.

[Unidentified reporter] Since Thailand cannot avoid being adversely affected by the conflicts in Burma, why don't we hold direct talks with the Burmese Government about this issue?

[Chuan] We have already offered to do so. I conveyed our stand to them that we support any kind of negotiation and that we are willing to act as a mediator for all sides to meet. However, Burma has rejected our proposal on the grounds that it can resolve its own internal problems. [end recording]

ASEAN Stand on Spratlys Dispute Detailed

BK2103130395 Bangkok THE NATION in English 21 Mar 95 p A4

[Article by Kunlachada Chaiphiphat: "ASEAN Closes Ranks Over Spratlys Dispute With China"]

[FBIS Transcribed Text] The six-member Association of Southeast Asian States took a bold step when its foreign ministers issued a strong statement over the weekend, urging all claimants to the South China Sea to promote activities that increase trust and confidence in the area.

This marks a great leap forward compared to ASEAN's past wishy-washy stand on this burning issue.

ASEAN originally preferred to see the conflicting claims resolved bilaterally. Three members of the grouping—the Philippines, Malaysia and Brunei—are among the six claimants of the Spratlys Islands in the oil-and-gas-rich strategic sea lanes. The other claimants are China, Vietnam and Taiwan.

But the fresh move reflects ASEAN's growing frustration over the lip-service paid by China and the other five claimants to the repeated calls for self-restraint and avoidance of action that could arouse tension and possibly conflict.

Despite the momentum gained over the last year in some of the bilateral talks there was no indication that each claimant would stop pushing their claims or that the area would become the scene for another battle ground as it was between China and Vietnam in 1988.

Saturday's statement, which was issued in Singapore by senior officials on behalf of their ministers, came two days ahead of talks between the Philippines and China on their rival claims over the Spratlys Islands.

It singled out the recent dispute between China and the Philippines over their claims to ownership of Mischief Reef as affecting peace and stability in the sea lanes and urged an early solution to the row.

The release of the statement added immediate weight to Manila in its negotiations with Beijing and will have implications for the first ASEAN-China security dialogue in Hangzhou from April 2 and 4.

For one thing, ASEAN is testing the water on Beijing's position which is to pursue bilateral settlement of the claims. ASEAN planned to raise the conflicting claims during the Hangzhou talks.

The document, drafted by ASEAN senior officials, urged all parties concerned to adhere to the letter and spirit of the Manila Declaration on the South China Sea, and called on all claimants to resolve differences in the area by peaceful means and to refrain from taking actions that could destabilize the situation.

It also encouraged all claimants and other countries in Southeast Asia to address the issue in various fora, including the Indonesia-sponsored Workshop Series on Managing Potential Conflicts in the South China Sea.

ASEAN officials admitted the statement was issued upon the request of the Philippines but were themselves surprised by the fact that the request drew ASEAN's accord without hesitation.

Manila first alarmed ASEAN of China's military expansion at the ASEAN senior officials meeting in January. Later that month it publicized China's military presence in the Mischief Reef and started lobbying its ASEAN friends to express their concerns over the recent development.

Heeding the call, each ASEAN capital has summoned a Chinese ambassador to express concerns about the report.

But some member states felt more should be done to underline ASEAN's anxiety over the new developments, especially to show ASEAN's commitment to peace and stability in the region.

According to an ASEAN official, ASEAN was embarrassed by the fact that it was the European Union, instead of ASEAN, that first jointly addressed this security concern.

Nonetheless, the statement was ASEAN's first public position on the South China Sea dispute since the 1992 Manila declaration, which was endorsed by ASEAN and all the claimants except China.

ASEAN observers believed ASEAN's closing of ranks over the conflict reflected not only its serious concern over the recent row between the Philippines and China but also its growing frustration over China's ambiguous position on the Spratlys question.

A call in the statement for countries in the region to undertake cooperative activities to increase trust and confidence and promote stability in the area also showed a degree of discontent over past efforts to try to find a solution to the dispute.

ASEAN was fed up with China's double stance on Spratlys. While Beijing said it has no intention to expand militarily in the region, their military is being increasingly positioned to enforce Beijing's claims to the area.

The grouping also expressed its skepticism over Beijing's refusal to endorse the Manila document. Beijing agreed in principle to the Manila Declaration but refused to endorse the binding document, arguing that it had neither the desire for military expansion nor wanted to be a military threat to any state.

Instead, Beijing promoted its own position of shelving the conflicts and opting for joint development of the overlapping areas as well as the non-use of forces.

Moreover, the Jakarta series of workshops which focused on technical cooperation in the dispute areas have so far failed to address the core problems, giving Beijing a blank cheque to legitimize its position on the Spratlys.

Observers said ASEAN wants China to make clear its military objectives and be more transparent about its intentions towards its backyard neighbors. Ultimately, Beijing's endorsement of the Manila document will help reduce, though not totally remove, ASEAN's suspicions about China.

Apparently, the timing is good now for ASEAN to start dealing with China as a true partner, departing from the Cold-War mind set that China was a big brother that should be feared.

Malaysia's crusade against the notion that China is a threat to region has provided a fresh boost to ASEAN efforts to promote trust with China and sparked a fundamental review of China's role in the region and ASEAN's relations with Beijing.

With the exception of the Spratlys, ASEAN-Sino relations and Beijing's bilateral ties with individual ASEAN states are improving and on good terms.

ASEAN has set the objective for its mission in Beijing to keep close contact with Chinese officials. China is currently an ASEAN consultative partner with the establishment of two working committees concerning economic, social and scientific and technology cooperation.

Greater cooperation with China and less suspicion would be in the interest of the region.

ASEAN now feels a sense of urgency to try to establish a secure framework in handling these problems before the expected uncertainty of China's post-Deng era takes hold.

Moreover, it should be in the interest of China to address the core problems in its relationship with ASEAN before its most active rival for the Spratlys, Vietnam, joins ASEAN as a full member and further complicates the issue.

Chuan Sees 'Minimal' Impact of Copyright Law

BK2103154695 Bangkok Thai Color Television Channel 9 in Thai 1200 GMT 21 Mar 95

[FBIS Translated Text] Prime Minister Chuan Likphai has asserted that the copyright law will not affect Thai businessmen. On the copyright law, which took effect today, the prime minister said an estimate shows that Thais who are copyright holders will receive protection. He said that like other countries, Thailand cannot avoid protection of copyrights.

[Begin recording] [Chuan] I feel that at least Thais who hold copyrights will also receive protection. I believe that this is a good thing. We cannot avoid reality on this issue. Every country will be doing the same thing that we do.

[Unidentified reporter] Do we have measures to prevent negative impact on the business sectors concerned?

[Chuan] I believe the impact will be minimal. There is some fear that the education sector will be affected, but I understand that there are exemptions in the law for that sector. [end recording]

Airline Chairman on Purchases, Management Issue

BK1903134495 Bangkok THE SUNDAY NATION in English 19 Mar 95 p A 1

[FBIS Transcribed Text] Thai Airways International [THAI] chairman Amaret Sila-on has vowed to press ahead with a massive Bt120 billion aircraft replacement plan, which he insists will save the national carrier Bt4.4 billion annually.

Amaret yesterday denied he wanted to sack THAI president Thammanun Wangli, but did say the board of directors had the right to review the airline's management if its conduct was considered inappropriate.

The former commerce minister in the Anan government came out to counter strong allegations in the Thai language mass circulation dailies that he was abusing his authority by pushing for the purchase of 50 new aircraft.

The reports followed a series of allegations made in unsigned leaflets against Amaret and the THAI board which was appointed by Transport and Communications Minister Wichit Suraphongchai. There were also leaflets criticizing Thammanun and his management team for alleged misconduct.

"I just want to restore THAI's reputation and raise its competitiveness. I do not have a single share in the airline. I want to do what is best. Anyone who wants to oppose (me) is free to do so," Amaret said.

Thammanun was not available for comment yesterday but he is known to be upset with the new board for blocking a series of proposals made by his management team and also for accusing him of inefficiency.

"A business operation can be divided into three segments: human, software and hardware. Hardware is the easiest issue to resolve.

"Aircraft are the hardware of an airline. If aircraft are an aspect which is pulling down the airline then they should be changed," Amaret said.

He said the THAI board, of which he is chairman, met on Feb 25 to discuss standardizing aircraft and engines as part of a cost-saving effort.

The agenda is a follow-up to a Cabinet resolution on March 17, 1992 (during the Anan government) that instructed THAI to review its aircraft purchasing plan in line with the notion that higher capability aircraft might be the most suitable for the growing regional passenger market.

It was also recommended that THAI should also have fewer types of aircraft and engines to save on both maintenance and labour costs.

"The board was concerned because nothing was done to follow up the Cabinet's resolution made two years ago. The study was seriously undertaken only recently," Amaret said.

The preliminary study recommended that THAI should reduce the types of aircraft in its fleet from 15 to five, the types of engines from 12 to five, and crew sets from 12 to five.

The normal regular five-year aircraft purchasing plan would cost Bt85 billion, but if the purchase took into account aircraft replacement to rationalize the fleet the investment would be Bt120 billion.

The budget for aircraft replacement alone was Bt35 billion, Amaret said, but added that within seven or eight years the investment would be recovered with an annual saving of Bt4.4 billion.

He admitted that "some people" did not agree with the proposal and there had been some opposition.

He thought this was largely because it was a new issue and some board members just did not properly understand it, but he believed an understanding could be reached. "I am trying to gather more information in order to explain," he said.

Amaret said he was not discouraged by the negative reports about him and vowed to push forward with the proposal by presenting the pros and cons of the aircraft replacement plan to the board.

Another board member appointed by Transport Minister Wichit, Siwaphon Thanthranon, also came under attack in the press last week when he was accused of favouring Boeing Aircraft Corp by making a visit to the firm's base in Seattle, United States.

Amaret said there had been a misunderstanding. Siwaphon, a director, had more time than other board members because he had no full-time job. He went to the US to visit his son, who is studying there, and took the opportunity to visit Boeing.

Asked about his stopping the reshuffle of THAI's vice presidents, Amaret said that the board had asked the management to assess the benefits of a reshuffle but had not yet received any clear answers.

"Management costs are very large, so we have to determine whether the reshuffle would be beneficial or not. We could accept it if there were good reasons, but we have not yet received clear answers (from the management)," Amaret said.

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